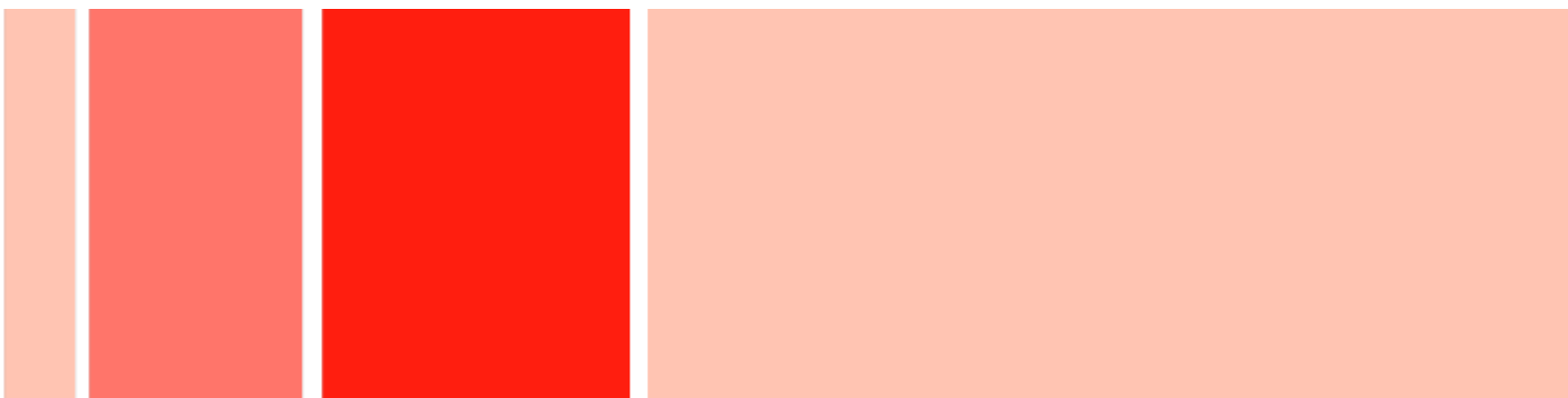


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## Employer Skills Survey 2022: south east Wales report



Mae'r ddogfen yma hefyd ar gael yn Gymraeg.

This document is also available in Welsh.

## Employer Skills Survey 2022: south east Wales report

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

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## Introduction

This document provides a summary of key findings among employers in south east Wales from the Welsh Government and Department for Education's Employer Skills Survey (ESS 2022), a large survey of employers which provides a definitive picture of the extent, nature and impact of skills challenges faced by employers.

From 2010-2017, ESS sat alongside the Employer Perspectives Survey (EPS) to produce insights that complemented each other. The focus on EPS was primarily outward-looking, covering provision of an engagement with the wider skills system, while ESS was more inward-looking, assessing the current skills position and skills needs of employers. Since the 2019 survey, the EPS content has been incorporated into ESS (this is the second ESS in the series to include questions formerly asked in EPS). For further details about the methodology, please see the [Wales national report](#) or the [technical report](#).

## Recruitment and external challenges

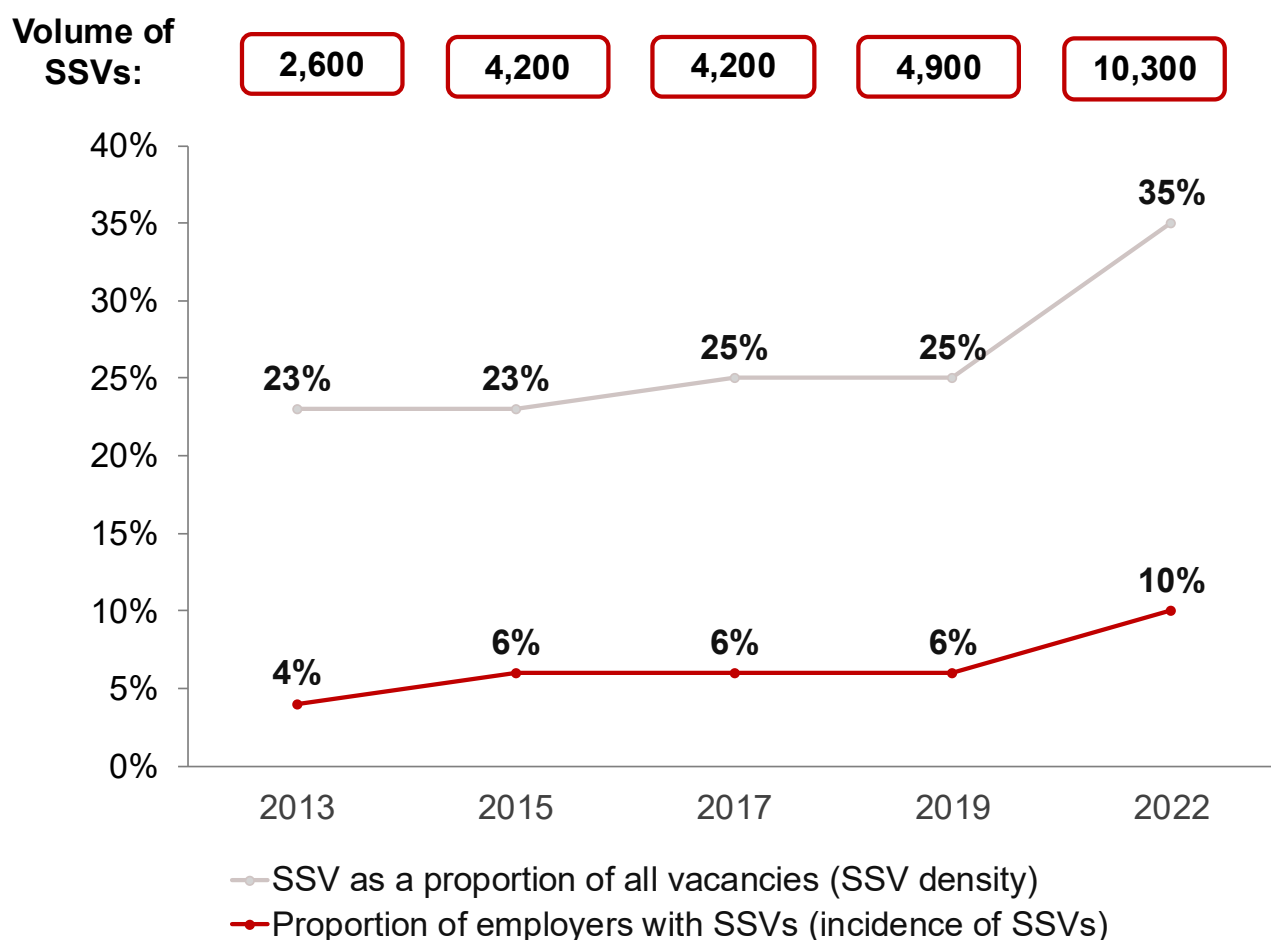
Around a quarter (24%) of employers in south east Wales had vacancies at the time of the survey, which is similar to the proportion in Wales overall (22%). The proportion of employers with vacancies in south east Wales had increased compared to 2019 (17%).

When considering vacancies as a proportion of employment (vacancy density), there was around one vacancy for every twenty employees (4.8%), which is consistent with the findings across Wales (4.7%). The vacancy density in south east Wales represents an increase on 2019 levels (3.2%). The volume of vacancies increased from 20,000 in 2019 to 29,700 in 2022.

Although the majority of vacancies were not proving hard to fill due to shortages of applicants with the required skills, qualifications or experience, difficulties recruiting employees due to skill-shortages can be a significant problem to employers. One in ten (10%) employers in south east Wales reported having vacancies as a result of skill-shortages in applicants, (skill-shortage vacancies, or 'SSVs'), the same proportion as in Wales overall. However, there was increase in the proportion of employers with SSVs compared to 2019 (6%).

More than one-third (35%) of vacancies were SSVs in south east Wales, matching the result for Wales overall. This was an increase from 2019 when 25% of employers had SSVs. There were around 10,300 SSVs in south east Wales in 2022, compared with around 4,900 in 2019 (Figure 1).

**Figure 1: Incidence, density and volume of SSVs over time in south east Wales (2013 to 2022)**



Description: Figure 1 shows the proportion of establishments with skill-shortage vacancies (SSVs), SSVs as a proportion of all vacancies (SSV density), and the volume of SSVs for the years 2013 to 2022. The proportion of employers with SSVs increased to 10% having remained stable at 6% from 2015 to 2019. Similarly, SSV density increased steeply from 25% in 2019 to 35% in 2022, having previously been between 23% and 25% throughout the time series. The total number of SSVs in 2022 was 10,300, more than double the 2019 figure of 4,900.

Base for incidence of skill-shortage vacancies: All establishments in south east Wales: 2022 (1,911); 2019 (2,767); 2017 (2,603); 2015 (2,395); 2013 (2,400). Base for density of skill-shortage vacancies: All establishments with vacancies: 2022 (625); 2019 (679); 2017 (661); 2015 (558); 2013 (405).

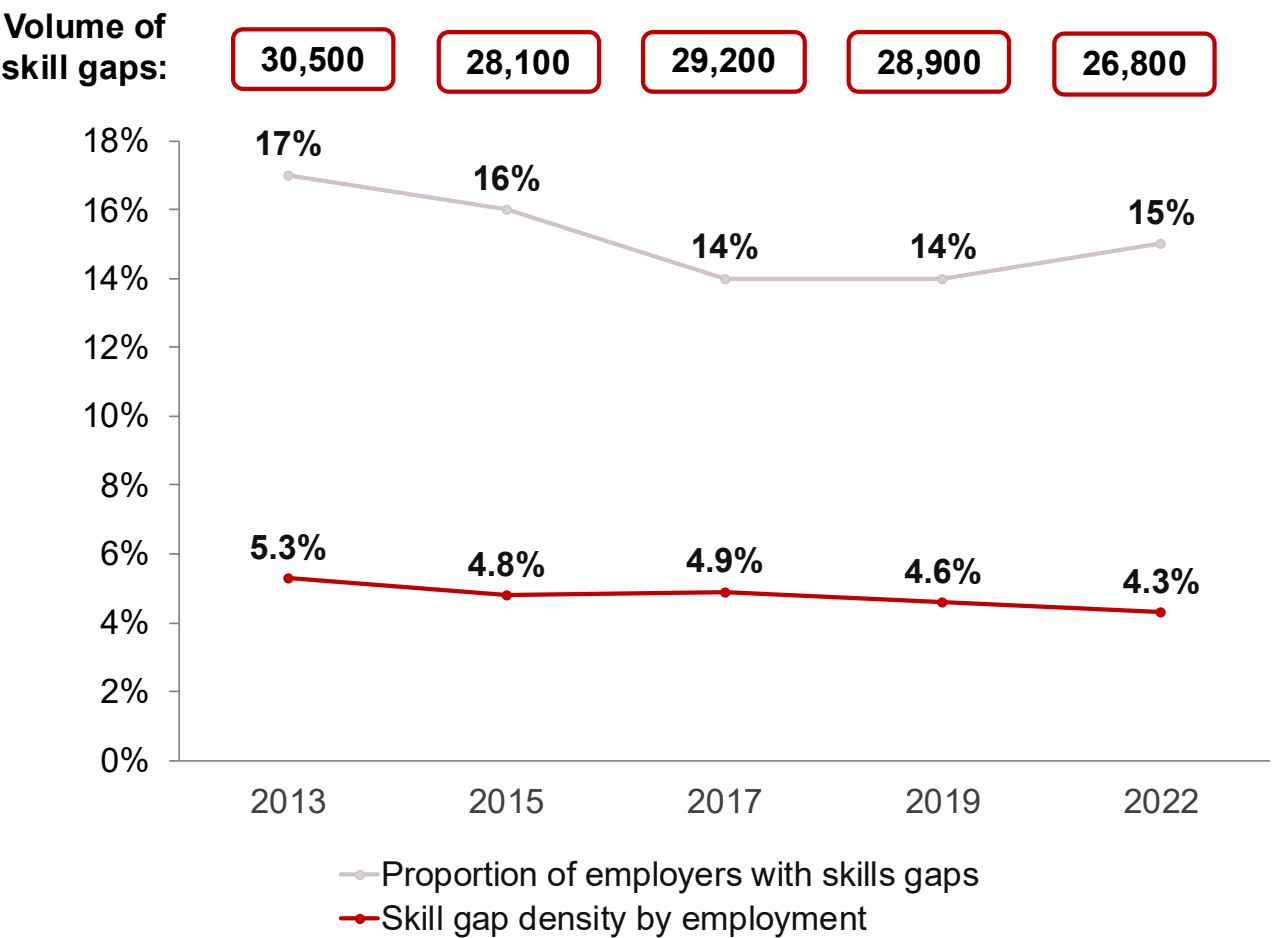
The most common skill that employers found lacking among applicants in south east Wales, as in 2019, was specialist skills or knowledge needed to perform the role (contributing to 66% of SSVs), followed by a lack of customer handling skills (52%). Compared to 2019, customer handling skills (52% in 2022, compared to 29% in 2019) and applicants managing own feelings and those of others (40% in 2022, compared to 29% in 2019) were more difficult to obtain from applicants.

By far the most detrimental impact of SSVs was increasing workloads for existing employees (87%), similar to 2019 (85%). This was also the most cited impact in Wales overall (also 87%). Other impacts included difficulties meeting customer services objectives (57%) and delays to developing new products or services (52%).

## The internal skills challenge

Overall, 15% of establishments in south east Wales reported that they had skills gaps (at least one member of staff not fully proficient in their role), similar to 2019 (14%) (Figure 2). The proportion is slightly higher than the Wales average (14%). The proportion of the workforce in south east Wales not considered fully proficient (4.3%) was higher in south east Wales than Wales overall (4.1%), although there was a decrease when compared to 2019 (4.6%). The volume of staff with skills gaps decreased from around 28,900 in 2019 to 26,800 in 2022.

**Figure 2: Incidence, density and volume of skills gaps over time in south east Wales (2013 to 2022)**



Description: Figure 2 shows the proportion of establishments with skills gaps (incidence), the proportion of employees with skills gaps (skills gap density), and the volume of skills gaps for the years 2013 to 2022. The proportion of employers with skills gaps remained

consistent with levels seen throughout the time period (15% in 2022), as did skills gaps density (4.3% in 2022). The total number of skills gaps in 2022 was 26,800, the lowest number in the time series.

Base: All establishments in south east Wales: 2022 (1,911); 2019 (2,767); 2017 (2,603); 2015 (2,395); 2013 (2,400).

Most (82%) skills gaps were caused in part by factors that can be considered 'transient' causes – causes that will naturally ease over time, such as being new to the role or training only being partially completed. This was a decrease compared to 2019 when transient factors contributed to 88% of skills gaps. Around one in six skills gaps (17%) were entirely due to transient causes (also down from 20% in 2019). Being new to the role contributed to 73% of skills gaps, compared to 78% in 2019, while training only being partially completed contributed to 58% of skills gaps, compared to 74% in 2019. These remain the two most common causes of skills gaps despite the reduction in skills gaps caused by partial completion of training.

The skills most commonly lacking and contributing to skills gaps in south east Wales was the ability of staff to manage their own time and prioritise tasks (contributing to 60% of skills gaps), and team working (57%); these were higher proportions compared to Wales overall (58% and 52% respectively). Compared to 2019, the most common skills lacking remained similar in terms of ranking, however both of these top two reasons have reduced in prominence (ability to manage own time: 73% in 2019; team working: 69% in 2019).

As was the case for SSVs, the most common implication of skills gaps was increased workload for other staff (57%), in line with Wales overall (56%). This was also the most common impact in 2019 (56%).

Overall, 37% of employers had staff with qualifications and skills more advanced than required for their current jobs. This was consistent with the overall Wales result (38%). The proportion of staff who were under-utilised in south east Wales was 8.1% compared to 8.8% across Wales.

## Training and workforce development

More than six in ten (63%) employers in south east Wales arranged or funded training for their staff in the last 12 months, which is higher than Wales overall (60%) and in line with the 2019 figure (64%) (Table 1). On-the-job training was more common than off-the-job training (54% compared to 37%), widening the gap seen in 2019 between these two types of training in terms of prevalence (52% vs. 45%).

The proportion of staff that received training in the last 12 months in south east Wales was slightly lower than the proportion trained in Wales overall (61% compared to 63% in Wales). There was also a decrease compared to 2019 (65%).

Among those that had not provided training in the last 12 months or so, the stand out reason for not doing so was that staff were already considered to be fully proficient (65%), though the proportion mentioning this has reduced compared to 2019 (73%). Reasons relating to COVID-19 including suspension of courses and staff being reluctant to attend were mentioned by 6 per cent of employers that did not train.

**Table 1: Proportion of employers that trained staff and the proportion of staff trained over the previous 12 months in Wales and south east Wales, 2013-2022**

	2013		2015		2017		2019		2022	
	Wales	South east Wales	Wales	South east Wales	Wales	South east Wales	Wales	South east Wales	Wales	South east Wales
% of employers that trained staff over the last 12 months	62	67	63	66	62	62	62	64	60	63
% of staff trained over previous 12 months	62	61	64	65	58	58	65	65	63	61

Base: All establishments 2022: Wales (4,825); south east (1,911); 2019: Wales (6,773); south east (2,767); 2017: Wales (5,913); south east (2,603); 2015: Wales (6,027); south east Wales (2,395); 2013: Wales (5,996); south east (2,400)

Overall, 380,000 staff were trained in south east Wales, for a total of 2.8 million training days. This equated to 7.4 days of training days per person trained per year ('per trainee'), and 4.5 days per employee (compared to 6.8 days per trainee and 4.2 days per employee in Wales overall). The results represent increases from 2019 levels, when 4.7 training days were provided per trainee per year and 3.1 days per employee.

The most common type of training offered to employees by employers that provided training was job specific training (83%) followed by health and safety or first aid training (71%) and basic induction training for new staff (65%). These results were similar to 2019, with the exception that the proportion of training employers providing job specific training had decreased (83% in 2022 compared to 87% in 2019).

Nearly six in ten (57%) employers reported that they were in 'training equilibrium', meaning they undertook the amount of training over the previous 12 months that they wanted, which is consistent with Wales overall (57%) and the 2019 result (58%). This means that 43% of employers wanted to deliver more training than they had done over the last 12 months.

## **Apprenticeships**

Just over one in ten (11%) employers had apprentices as employees at the time of the survey, while 8% offered apprenticeships but did not have any apprentices; this meant overall, nearly one in five (19%) employers in south east Wales had apprentices or offered apprenticeships, in line with 2019 (17%).

The most common reasons for not offering apprenticeships were because employers were not looking to recruit new staff (16%), followed by not needing apprentices at all due to current staff being fully skilled (14%), and apprenticeships not being suitable due to the size of the establishment (13%). These were also the three main reasons given at nation level in Wales (17%, 15% and 11% respectively). In 2019, the most common reason was apprenticeships not being offered in their industry (19%), however the proportion mentioning this decreased in 2022 (10%).

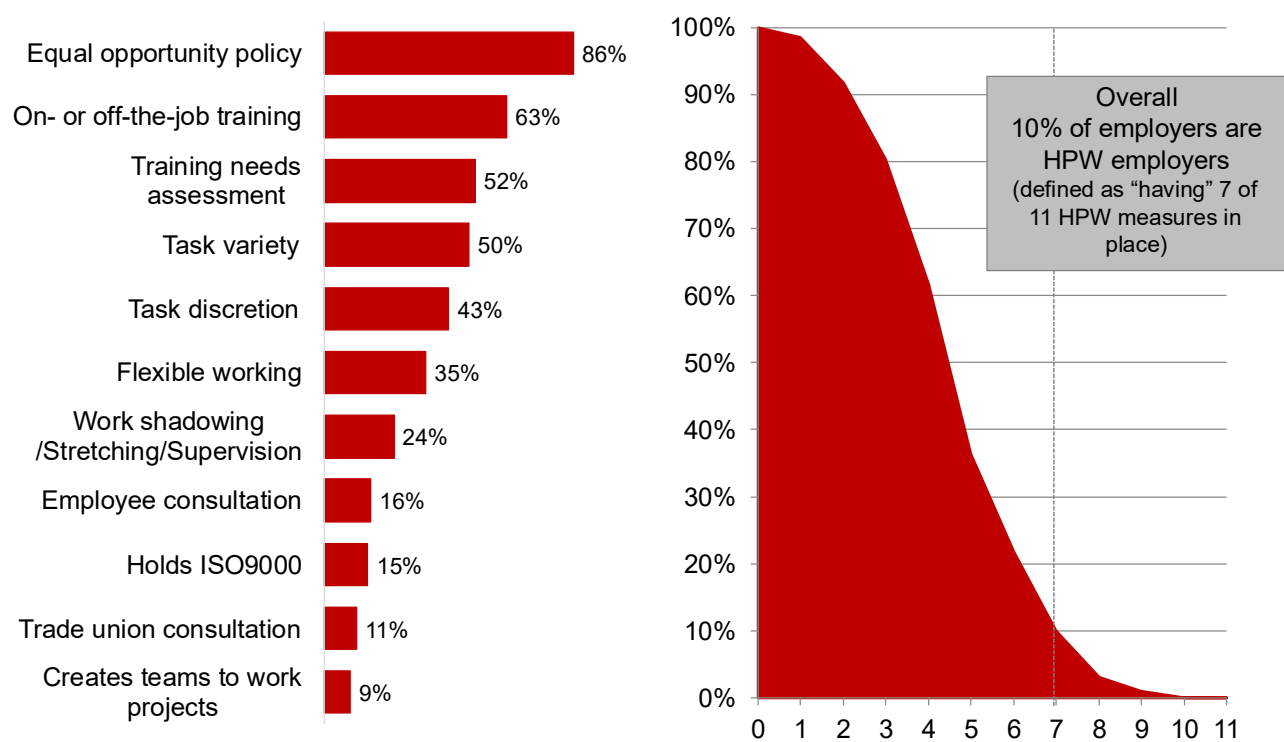


# High Performance Working practices

One in ten employers (10%) in south east Wales qualified as High Performance Working (HPW) employers, meaning they adopted seven out of the 11 High Performance Working practices that were included in the survey (Figure 3). This was in line with the proportion of HPW employers across Wales (9%).

The most common HPW practice implemented by employers was having an equal opportunity policy (86%, higher than 82% in Wales overall) followed by on- or off-the-job training (63%) and training needs assessments (52%).

**Figure 3: Prevalence of High Performance Working practices in south east Wales, 2022**



Description: Figure 3 shows the proportion of employers that have implemented each 'High Performance Working' practice in their workplace. The most common HPW practice to have been implemented was having an equal opportunity policy (86%), followed by providing on- or off-the-job training (63%). The least common practices to implement were creating teams of people who don't usually work together to work on projects (9%) and having trade union consultation (11%). Overall, 10% of employers adhered to seven or more HPW practices.

Base: All establishments in south east Wales (Module D) (471)

## Conclusions

ESS 2022 highlights the scale of recruitment challenges faced in south east Wales (as well as Wales and the UK more generally). Results demonstrate the tightening of the labour market with an increase in vacancies and specifically vacancies that are proving hard-to-fill due to applicants lacking the necessary skills, qualifications and experience; SSV density in 2022 is at the highest level seen in the ESS series (which started in 2011). In terms of the internal skills picture, the picture was more positive; while the proportion of employers with skills gaps was at similar levels to 2019, skills gap density reduced, continuing the downward trend seen over previous waves of the ESS. Skills challenges continue to be detrimental to employers, with the most common impact being an increased workload for the existing workforce.

Training and workforce development can be a means of addressing skills challenges. Though the proportion of employers that provided training in the last 12 months has remained stable, the proportion of the workforce receiving training has decreased since 2019. It remains the case that many employers do not feel their staff require training, which may be partially evidenced by the reduction in skills gap density seen in recent years. However, the proportion who gave staff being fully proficient as a reason for not training was lower than in 2019 and there is still a large proportion of employers that wanted to provide more training than they had done over the previous 12 months. COVID-19 has had some impact on delivery of training and issues like the tightening labour market can affect how much resource employers can allocate to training staff. It will be important in future years to monitor the impact of recruitment challenges and in turn the impact this is having on the existing workforce in south east Wales.

## Main findings

		South east Wales	Wales
	2019	2022	2022
<b>Vacancies and skill-shortage vacancies (SSVs)</b>			
% of establishments with any vacancies	17	24	22
% of establishments with any hard-to-fill vacancies	8	15	15
% of establishments with SSVs	6	10	10
% of all vacancies that are SSVs	25	35	35
Number of vacancies	20,000	29,700	58,900
Number of skill-shortage vacancies	4,900	10,300	20,600
<b>Skills gaps</b>			
% of establishments with any staff not fully proficient	14	15	14
Number of staff not fully proficient	28,900	26,800	51,500
% of staff not fully proficient	4.6	4.3	4.1
<b>Training</b>			
% of establishments training any staff over the last 12 months	64	63	60
% of establishments providing off-the-job training in the last 12 months	45	37	36
% of workforce trained	65	61	63
Total days training	1.9m	2.8m	5.3m
<b>Training</b>			
Training days per trainee	4.7	7.4	6.8
Training days per employee	3.1	4.5	4.2
<b>Apprenticeships</b>			
Currently have apprentices on site or offer apprenticeships	17	19	17

% of employers planning to offer apprenticeships in the future	28	37	35
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Note: Figures are rounded to the nearest 100.