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# Employer Skills Survey 2024

## Wales Report

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.

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# Employer Skills Survey 2024: 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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## Glossary

### **Site (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**

Sector definitions are based on Standard Industrial Classification (SIC) 2007 codes. For definitions of the different sector groupings used in this report please refer to **Error! Reference source not found.**

### **Occupations**

Occupational definitions are based on Standard Occupational Classification (SOC) 2020 codes. For definitions of the occupational groups used in this report please refer to **Error! Reference source not found.**

### **Vacancy density**

Vacancies which are proving difficult to fill, as defined by the site (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.

### **Under-use of skills (skills under-utilisation)**

An employee’s skills are under-used / underutilised if the employer reports a person has both skills and qualifications that are more advanced than required to perform the job role they are currently in.

## **Off-the-job training**

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.

## **On-the-job training**

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.

## **Training equilibrium**

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).

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.

Results for non-training providing sites have been determined from their reasons for not training, rather than a direct question. Employers were regarded as being training equilibrium if they had not provided any training because it was not considered to be a priority for their site, because all their staff were fully proficient, or they had no need for training. Those not giving any of these reasons were classified as not in training equilibrium (i.e., 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.

## Key findings

Table 0-1 Key findings from the Employer Skills Survey 2024

	Wales			England	Northern Ireland	Scotland
	2019	2022	2024	2024	2024	2024
<b>Vacancies and skill-shortage vacancies (SSVs)</b>						
% of sites with any vacancies	15%	22%	17%	17%	17%	19%
% of sites with any hard-to-fill vacancies	7%	15%	9%	8%	11%	10%
% of sites with SSVs	5%	10%	6%	6%	7%	7%
% of all vacancies that are SSVs	24%	35%	28%	27%	25%	27%
Number of vacancies	40,800	58,900	35,700	798,600	29,900	74,700
Number of skill-shortage vacancies	9,800	20,600	10,100	213,000	7,500	20,000
<b>Skills gaps</b>						
% of sites with any staff not fully proficient	13%	14%	12%	12%	11%	14%
Number of staff not fully proficient	50,900	51,500	50,400	1,078,300	33,400	94,500
% of staff not fully proficient	4.0%	4.1%	3.9%	4.1%	4.0%	3.8%

	Wales			England	Northern Ireland	Scotland
	2019	2022	2024	2024	2024	2024
<b>Training</b>						
% of sites training any staff over the last 12 months	62%	60%	60%	59%	56%	63%
% of sites providing off-the-job training in the last 12 months	45%	36%	40%	40%	37%	42%
% of workforce trained	65%	63%	64%	63%	61%	60%
Total days training	4.2m	5.3m	5.4m	93.6m	2.9m	9.0m
Training days per employee	3.3	4.2	4.2	3.5	3.5	3.6
Total training expenditure	£2.2bn	£2.5bn	£2.4bn	£44.8bn	£1.4bn	£4.4bn
Training expenditure per employee	£1,740	£2,010	£1,850	£1,690	£1,670	£1,770
<b>Apprenticeships</b>						
% of employers who currently have apprentices on site or offer apprenticeships	16%	17%	16%	20%	17%	16%
% of employers planning to offer apprenticeships in the future	27%	35%	24%	32%	24%	25%

Note: Figures are rounded to the nearest 100. Training spend data has been adjusted for inflation and are shown in 2024 prices

# 1 Executive summary

## 1.1 Overview

In 2024, there has been a cooling of the labour market after a rapid increase in vacancies in 2022; vacancies have returned to levels previously seen in 2015 and 2017. The proportion of all vacancies that were classed as skill-shortage vacancies (SSVs) was lower than in 2022 but remained above the level seen in 2019.

Looking at the internal skills challenge, while a lower proportion of employers experienced skills gaps compared with previous years, this had not led to a notable reduction in the proportion of employees with skills gaps, suggesting that skills gaps are more heavily concentrated among a smaller number of employers. The proportion of employees that had skills and qualifications that were underutilised was around twice that of employees which had a skills gap.

A notable decline in the proportion of employers providing training was seen in 2022. The latest findings on training incidence from the 2024 survey were consistent with 2022, suggesting that a lower level of employer engagement in workforce training may be becoming the norm. Financial investment in training also fell 6% in real terms compared with 2022. Despite some concerning patterns when considering overall training provision and investment in Wales, the proportion of staff trained in Wales and the number of training days being provided to staff has remained at stable levels (with the former being higher than other UK nations).

Looking specifically at employers' engagement with apprenticeships, around 1 in 6 sites offered apprenticeships (similar to previous years' results), while the proportion planning to offer apprenticeships in the future had declined compared with 2022.

In 2024, a minority of employers in Wales were classed as High Performance Working (HPW) employers. The most commonly implemented HPW practices have remained similar to 2022.

Just 12% of employers were using Artificial Intelligence (AI) at the time of survey, with this being primarily driven by high usage among employers in the Information and Communications sector. For most sites using AI, this was a relatively new development, while most sites that did not use AI had no plans to adopt it. Sites using AI were more likely to report that their staff lacked digital skills and that these skills were difficult to obtain when recruiting, suggesting that AI adoption may be contributing to skills mismatches in the workforce. A small minority (3%) of employers were reported to already be at Net Zero, while a further 14% had a net zero strategy in place.

## 1.2 Introduction

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 5,605 employers in Wales, and 22,712 employers at UK-level.

ESS has been run as a UK-level survey since 2011, with the exception of 2019, when only sites 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. Since 2019, the content of the EPS has been incorporated into the ESS. Survey fieldwork for the latest wave took place between June 2024 and January 2025.

The study reports the experiences of employers at site 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. Unless stated otherwise, all figures reported are taken from responses by employers to the ESS 2024 survey and therefore reflect their views and experiences.

### **1.3 Recruitment and external challenges**

Employers were asked about their recruitment activity and any associated challenges. Around 1 in 6 employers (17%) in Wales reported having any vacancies in 2024, declining from the series-high of 22% in 2022, reflecting the trend seen across the UK and a labour market which has cooled in recent years. The number of vacancies in Wales fell from 58,900 in 2022 to 35,700 in 2024. Both the incidence and volume of vacancies in Wales in 2024 were in line with the period 2015 to 2017 and lower than in 2022. Employers in South East Wales (19%) were most likely to have vacancies, while those in Mid Wales were least likely (13%).

Skill-shortage vacancies (SSVs) - vacancies that are hard to fill because applicants lack the required skills, experience or qualifications - accounted for 28% of all vacancies in Wales (SSV density). This was a lower proportion than in 2022 (35%) but higher than in 2019 (24%). Despite some variation in recent years, the density of SSVs has been gradually increasing since 2011.

The proportion of employers that had SSVs was 6%, notably lower than in 2022 (10%) and in line with the figures seen in 2019 and 2017 (5% and 6% respectively). Overall, there were 10,100 skill-shortage vacancies in Wales in 2024, less than half the number seen in 2022 (20,600) but in line with 2019 (9,800) and 2017 (9,900).

SSV density was highest in the Manufacturing (54%) and Construction (53%) sectors and lowest in the Wholesale and Retail sector (17%). At the occupational level, employers were most likely to have experienced skills-related difficulties when recruiting for Skilled Trades (54%), followed by Associate Professionals (42%).

The technical and practical skills most often lacking among applicants were specialist skills or knowledge to perform the role (a factor in 67% of SSVs) and complex problem-solving skills (48%). The most common people and personal skills lacking were the ability to manage one's own time and prioritise tasks (50%) and teamworking skills (42%).

More than 9 in 10 sites (95%) whose hard-to-fill vacancies were exclusively due to skill shortages said their SSVs had an impact on business performance, the same proportion as in 2022. The most common impact was an increase in workloads for existing staff (90%).

More than 8 in 10 employers with SSVs (85%) stated they had taken action to address them.

Most employers in Wales whose hard-to-fill vacancies were all SSVs had taken steps to address them (85%; consistent with 84% in 2022). The most common action was using new recruitment methods or channels (30%), followed by increasing advertising / recruitment spend (27%). The proportion saying they had used new methods or channels increased compared with 2022 (when the figure was 23%), whereas the proportion increasing spend had decreased since 2022 (when it was 34%), suggesting an increased focus on more innovative and cost-effective solutions to address difficulties in finding the right candidates.

Overall, around 3 in 10 sites (31%) had recruited education leavers in the two to three years preceding the survey, a similar proportion to 2022 (29%) and 2019 (30%). University leavers were the most likely of the new entrant groups covered to be perceived as well-prepared for work (80% of employers that had recruited them said this, compared with 64% for college leavers, 50% of 17 to 18 year-old school leavers and 37% of 16 year-old school leavers).

## **1.4 The internal skills challenge**

Considering internal skills challenges faced by employers, 12% of employers felt at least one staff member was not fully proficient at their job, a decrease from 14% in 2022 but not significantly different to the proportion in 2019 (13%). Employers in Wales (12% in 2024 vs 14% in 2022), alongside those in England (12% vs. 15%), saw a notable decrease in the incidence of skills challenges when compared with 2022.

The proportion of employees considered not fully proficient (skills gap density) in 2024 (3.9%) was similar to both 2022 and 2019 (4.1% in 2022 and 4.0% in 2019). In 2024, 50,400 employees in Wales were considered to have skills gaps (similar to 51,500 in 2022). It is notable that while a lower proportion of employers had experienced skills gaps compared with 2022, this did not lead to a notable reduction in skills gap density, suggesting skills gaps are more heavily concentrated among a smaller number of employers in 2024.

Skills gap density varied by sector; it was highest among Financial Services (6.8%), Hotels and Restaurants (6.4%) and Arts and Other Services (6.4%) employers, and lowest among Information and Communications (2.0%) and Health and Social Work (2.2%) employers. Generally, skills gap density at the sectoral level was similar to 2022. Regionally, skills gap density was notably highest in South East Wales (4.5%, compared with 3.3% to 3.4% in other Welsh regions).

The occupations most affected by skills gaps were labour-intensive roles (5.3% with skills gaps) and most notably Elementary occupations (6.2%). Skills gap density was lowest among those in high skill positions, including Managers (1.5%) and Professionals (2.6%).

Skills gaps were most often caused by staff being new to the role (contributing to 71% of skills gaps), followed by training only being partially completed (59%). The most common technical or practical skill that was lacking among staff with skills gaps, as in 2022, was specialist skills or knowledge needed to do the job (contributing to 49% of all skills gaps). The most common people and personal skills lacking were time management and task prioritisation (contributing to 60% of skills gaps).

Around 6 in 10 (62%) employers in Wales with skills gaps reported that these skills gaps had a direct impact on how the site performs, lower than the proportion in 2022 (68%). As in previous years, the most common impact was an increase in workload for the other staff (50%), though a smaller proportion cited this impact compared with 2022 (56%).

Around 9 in 10 (89%) had taken, or had plans to take, steps to address skills gaps. Actions already taken by employers included increasing training activity or spend (64%) and increasing the supervision of staff with skills gaps (55%).

Around 6 in 10 (59%) sites in Wales expected they would need to upskill their workforce in the next 12 months, a notably lower proportion compared with 2022 (67%) and 2019 (68%). Employers were more likely to report technical and practical skills that needed improving in the next 12 months as opposed to people and personal skills, with the most common being specialist skills and knowledge needed to perform the role (48%).

One third (33%) of sites had at least one employee with qualifications and skills more advanced than required for their job role, a lower proportion than in 2022. Overall, 126,100 workers (9.8% of the workforce) were said to be under-utilising their skills and qualifications in their job role, a higher proportion than in the other UK nations (7.0% in England, 6.8% in Northern Ireland and 7.1% in Scotland). This therefore affected more than twice the proportion of the workforce in Wales than skills gaps did (3.9%).

One third (33%) of employers in Wales had provided some form of work placement in the last 12 months, a higher proportion when compared with 2022 (28%). Employers in Wales that did not offer work placements or other work-related experiences were most likely not to do so for structural reasons (62%) (e.g., not having suitable roles).

## **1.5 Training and workforce development**

Overall, 6 in 10 (60%) employers had funded or arranged training for their staff over the previous 12 months, the same proportion as 2022 (60%) but lower than 2019 (62%) and 2015 (63%), suggesting that a lower level of employer engagement in workforce training may be becoming the norm. The proportion providing off-the-job training increased from 36% in 2022 to 40% in 2024, while around half (50%) of employers had provided on-the-job training, similar to 2022 (51%).

Employers in Wales provided a total of 5.4 million training days over the previous 12 months, in line with the 5.3 million training days provided in 2022. Per annum, this equated to 6.6 training days per person trained ('per trainee') and 4.2 training days per employee (again similar to 6.8 days per trainee and 4.2 per employee). As in 2022, employers in Wales provided the most training days per trainee and per employee of the UK nations.

Overall, employers in Wales spent £2.4 billion on training in 2024, a 6% decrease from the equivalent £2.5 billion figure in 2022. Coupled with the increase in number of staff trained, spend per trainee decreased by 11% from £3,200 in 2022 to £2,900 in 2024. Employers in Wales experienced a smaller decrease in their training spend per trainee in comparison to England (which fell by 18%).

As in previous years, the most common type of training provided was job-specific training (85%, similar to the 84% in 2022) followed by health and safety or first aid training (75%, up

from 71% in 2022). Seven in ten training employers (70%) had funded or arranged online training or e-learning for their staff over the previous 12 months, consistent with the proportion seen in 2022 (69%) but higher than in each iteration of the ESS going back to 2015.

Two fifths (40%) of employers had not funded or arranged any training for their staff in the previous 12 months. The most common reason for not doing so was because they already considered their staff to be fully proficient (68%).

Overall, around three fifths (57%) of employers were in training equilibrium (meaning they were content with the amount of training they provided), the same proportion as in 2022. The remaining 43% were not in training equilibrium i.e., they would have liked to provide more training to their staff over the previous 12 months.

## **1.6 Apprenticeships**

Overall, 16% of employers in Wales offered apprenticeships in 2024, a similar proportion to 2022 (17%) and 2019 (16%). This included 8% that employed them and a further 8% that offered apprenticeships despite not employing them at the time of the survey.

The vast majority of employers that offered apprenticeships offered them to young people aged under 25 (92%). Around 6 in 10 (57%) offered them to people aged 25 and over, the highest proportion among the four UK nations. Employers remain more likely to offer apprenticeships to new employees specifically recruited as apprentices than to offer them to existing employees (83% and 51% respectively).

Looking ahead, around one quarter (24%) of employers in Wales planned to offer apprenticeships in the future, a notably lower proportion than in 2022 (35%).

Close to 1 in 6 employers with current apprentices (16%) had someone undertaking their qualification through the medium of Welsh or bilingually, though 20% of all sites indicated they would benefit from a wider range of these apprenticeships being available (including 18% of those not currently offering apprenticeships).

## **1.7 High performance working practices**

'High Performance Working' (HPW) practices are practices recognised to ensure employee skills are harnessed, nurtured and used to their best effect. Around 1 in 20 sites (6%) adopted seven or more of the ten HPW practices and were therefore considered HPW employers. On average, sites adopted four HPW practices.

As in 2022, the most common HPW practices implemented by sites were having an equal opportunity policy (78%), providing on- or off-the-job training (60%) and task variety (50%).

## **1.8 Artificial Intelligence**

New for the 2024 survey, employers in Wales were asked whether, and to what extent, their site used artificial intelligence (AI) and whether their site had a net zero strategy in place. One in eight (12%) employers were using AI, with this being most likely by far among Information and Communications employers (48%).

Sites which use AI were more likely to report that their staff lacked digital skills (45%) compared to those that do not use it (28%). Similarly, sites that use AI were more likely to report digital skills as being difficult to obtain from applicants (46%), compared to those that do not use it (36%).

Among sites that used AI, for most this was a recent development, with two thirds (66%) having started in the last 12 months. Just over one fifth (21%) began using AI between 1 and 3 years ago, while 10% started more than 3 years ago.

## **1.9 Net Zero**

One third (33%) of sites in Wales either had a net zero strategy in place (14%) or were planning to put a strategy in place (19%), while just under half (45%) had no plans to become net zero. A sizeable proportion (19%) did not know, or preferred not to say, whether their site had a net zero strategy in place. A small minority (3%) were already at net zero.

## 2 Introduction

### 2.1 Background

The Employer Skills Survey 2024 (ESS 2024) 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.

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. The EPS has been incorporated into ESS as a single survey since 2019. Employers in Scotland were not included in the 2019 ESS survey but have been included again since 2022.

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.

This report focuses predominantly on findings on ‘core’ ESS measures, namely the skills challenges that employers report both within their existing workforces and when recruiting, as well as the levels and nature of investment in training and development. The report also covers topics including underutilisation of skills, the need to upskill staff and measures originating from the EPS, including apprenticeships and the recruitment and preparedness for work of education leavers. New topic areas including employer adoption of Artificial Intelligence (AI) ([Chapter 8](#)) and Net Zero plans ([Chapter 9](#)) are also explored.

### 2.2 Methodology

The 2024 questionnaire was largely consistent with 2022, in order to maintain comparability with the wider time series. However, some changes were made to cover new topic areas of policy interest such as AI and Net Zero plans.

The population covered by the survey comprised employers at the site level (rather than at an organisational level)<sup>[footnote 1]</sup> with at least two employees on the payroll – i.e. not including any workers like self-employed contractors or agency staff. Sole traders with a single person on the payroll were excluded. This mirrored the site-based approach adopted in previous Employer Skills Surveys and Employer Perspectives Surveys, as well as the legacy skills surveys in each nation.

The survey encompassed sites across the whole of the UK, covering all sectors of the economy (the commercial, public and charitable spheres). The profile of this population for

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[1] Multiple sites (or premises) of a larger organisation were in scope for the research and were thus counted separately for sampling purposes. This was in recognition of the influence that local labour markets have on skill issues and the fact that skills issues are felt most acutely at the site level.

sampling was established through Office for National Statistics (ONS) data from the March 2023 Inter-Departmental Business Register (IDBR), the most up to date business population figures available at the time of the survey. For weighting, the 2024 IDBR figures were used as the most up to date figures available. For further information on the weighting approach, please refer to the accompanying [Technical Report](#).

ESS 2024 was the second 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 sites sampled from given population cells have an equal and known probability of being sampled.

For sites with 2 to 4, 5 to 9 and 10 to 24 employees, a minimum of 8 call attempts was made; if at any point during these 8 call attempts a ‘definite appointment’ was registered, the minimum call number was increased to a maximum of 13. For sites with 25 to 49 employees, a minimum of 8 call attempts were made, increasing to a maximum of 15 calls. For sites with 100 to 249 employees, a minimum of 10 call attempts were made, increasing to a maximum of 18 calls. For the largest sites with 250 or more employees, a minimum of 13 call attempts were made, increasing to a maximum of 23. For further information, please see the accompanying [Technical Report](#).

Telephone interviews were conducted between June 2024 and January 2025. A total of 5,605 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.

The overall response rate for sites in Wales was 71%, calculated as ‘achieved interviews’ as a proportion of all respondents who were successfully contacted and reached a final outcome (including those who refused, or who quit during the interview), as shown in Table 2-1.

**Table 2-1 Sample outcomes and response rate**

<b>Outcome</b>	<b>Number of contacts</b>	<b>% of all sample</b>	<b>% of complete contacts</b>
<b>Total sample</b>	<b>28,516</b>	<b>100%</b>	-
Ineligible sites (e.g., just one working proprietor at site)	463	2%	-
‘Live’ <sup>[footnote 2]</sup>	4,330	15%	-
Unobtainable / invalid numbers	8,353	29%	-
Withdrawn after completing RPS protocol	7,435	26%	-
<b>Total complete contacts</b>	<b>7,935</b>	<b>28%</b>	<b>100%</b>

<sup>[2]</sup> 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.

Achieved interviews	5,605	20%	71%
Respondent refusal	2,221	8%	28%
Quits during interview	109	<0.5%	1%

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.

### 2.3 Size and sector profile of sites in Wales

The ESS uses 13 sectors for structuring the sample and analysis purposes, which are listed in Table 2-2. These sector groupings have been created using employer Standard Industrial Classification (SIC) 2007 codes. IDBR statistics show that the size and sector profile of businesses and employment in Wales remained largely unchanged between 2022 and 2024, with only minor variations in proportions across both years. The Wholesale and Retail and Business Services sectors were the two largest in Wales in terms of the number of sites, accounting for 35% of sites in Wales, the same as in 2022. From an employment perspective Health and Social Work (17%) and Wholesale and Retail (14%) employed the highest proportion of the workforce, accounting for 31% together.

Table 2-2 shows the distribution of the business and employment populations in Wales in 2024 compared to 2022. The profile of both site and employment by size and sector in Wales has remained relatively similar to 2022.

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

	Site			Employment		
	Wales 2022	Wales 2024	Wales 2024	Wales 2022	Wales 2024	Wales 2024
Size	%	%	n	%	%	n
2 to 4	54%	54%	47,000	9%	9%	121,300
5 to 24	36%	36%	31,500	25%	25%	314,200
25 to 49	5%	5%	4,600	13%	12%	159,000
50 to 99	2%	2%	2,100	11%	11%	146,600
100 or more	2%	2%	1,700	41%	42%	539,500
Sector						
Primary Sector & Utilities	11%	11%	9,800	4%	4%	49,400
Manufacturing	5%	5%	4,300	10%	10%	130,500
Construction	10%	10%	8,700	5%	5%	61,700
Wholesale & Retail	19%	19%	16,300	14%	14%	173,300

	Site			Employment		
	Wales 2022	Wales 2024	Wales 2024	Wales 2022	Wales 2024	Wales 2024
Hotels & Restaurants	11%	11%	9,800	8%	9%	110,200
Transport & Storage	3%	3%	2,600	4%	4%	45,600
Information & Communications	2%	2%	2,000	2%	2%	26,400
Financial Services	2%	1%	1,200	2%	2%	28,800
Business Services	17%	17%	14,600	13%	13%	168,600
Public Administration	2%	2%	1,400	7%	8%	106,100
Education	3%	3%	2,800	9%	9%	115,100
Health & Social Work	8%	8%	6,900	17%	16%	210,600
Arts & Other Services	7%	7%	6,300	4%	4%	54,100

Note: Figures are rounded to the nearest 100. Population figures are sourced from the ONS Inter-Departmental Business Register (IDBR), March 2024 data.

## 2.4 Structure of the report

This report covers:

### Chapter 3: Recruitment and external challenges

This chapter discusses recruitment activity and difficulties in filling vacancies due to skill shortages. It examines the proportion of sites 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.

## Chapter 8: Artificial Intelligence

This chapter explores employers' current use of Artificial Intelligence (AI), their future plans for AI adoption, and the extent to which they anticipate AI becoming integrated into their processes and operations in the coming years.

## Chapter 9: Net Zero

The penultimate chapter looks at sites' Net Zero plans.

## Conclusions

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

## **2.5 Reporting conventions**

The terms 'site' and 'employer' are used interchangeably throughout this report to avoid excessive repetition.

The survey population is UK businesses with employment of two or more; 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.

All differences referred to in the report commentary are statistically significant at the 95% level of confidence. This applies to differences between survey subgroups, such as region, size and sector, and also to differences over time.

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 sites answering a question, as this is the information required to determine statistical reliability.

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%.

Throughout the report, figures with a base size of fewer than 30 sites 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.

Please note that, unless otherwise stated, all figures presented in this report are taken from responses by employers to the ESS 2024 survey and therefore represent their views.

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 Table 2-3.

**Table 2-3 Definitions for key incidence, volume and density measures used in this report**

	<b>Vacancies</b>	<b>Skill-shortage vacancies</b>	<b>Skills gaps</b>
<b>Incidence</b>	The number of sites reporting at least one vacancy	The number of sites that reported at least one skill-shortage vacancy	The number of sites that reported any of their staff lacked full proficiency
<b>Volume</b>	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
<b>Density</b>	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

### 3.1 Chapter summary

Across Wales, 1 in 6 (17%) of employers had at least one vacancy in 2024. This proportion decreased since 2022 (22%), reflecting the trend seen across the UK and a labour market which has cooled in recent years. The number of vacancies in Wales fell from 58,900 in 2022 to 35,700 in 2024. Both the incidence and volume of vacancies in Wales were in line with the period 2015 to 2017. Employers in South East Wales (19%) were most likely to have vacancies, while those in Mid Wales were least likely (13%).

The proportion of vacancies classified as skill-shortage vacancies (SSVs), defined as vacancies which are hard to fill due to a lack of skills, qualifications and experience among applicant, also decreased from 35% in 2022 to 28% in 2024. This equated to 10,100 SSVs in Wales in 2024, less than half the number seen in 2022 (20,600) but in line with 2019 (9,800) and 2017 (9,900).

Looking at individual sectors, SSV density was highest among Manufacturing and Construction employers in Wales with more than half the vacancies reported by these employers being SSVs (54% and 53% respectively). Wholesale and Retail employers had the lowest SSV density (17%). By size, the largest employers with 100 or more employees has the lowest density of SSVs (17%), whereas those with 5 to 24 employees had the highest (38%). Regionally, SSV density was lowest among employers in South West Wales (21%).

Among occupational groups, Skilled Trades had the highest SSV density, with more than half (54%) of vacancies advertising these roles being SSVs. In 2022, Skilled Trades had the second highest SSV density (51%); Machine Operatives had the highest, though this occupational group saw the biggest decrease in SSV density in 2024 (34% vs. 57% in 2022)<sup>[footnote 3]</sup>. SSV density was lowest among Sales and Customer Services roles (8%), another notable decrease compared with 2022 (20%). Across the UK as a whole, Skilled Trades also had the highest SSV density (48%).

Around 9 in 10 (89%) SSVs were caused, at least in part, by a lack of technical and practical skills; a proportion consistent with previous ESS iterations. The technical and practical skill lacking among the greatest proportion of SSVs was specialist skills and knowledge (67%), as was the case in 2022. Additionally, three quarters (75%) of SSVs were caused, in part, by a lack of people or personal skills; this was consistent with previous years. As in 2022, time management and task prioritisation was the skills most likely to be lacking (50%), though this proportion had increased compared with 2022 (43%).

As has been the case in previous ESS iterations, the vast majority (95%) of sites in Wales whose hard-to-fill vacancies were all SSVs said that they had an impact on business performance. The most common impact was an increased workload for existing staff (90%).

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<sup>[3]</sup> Note, the decrease in SSV density for Machine Operative occupations should be treated with caution due to outliers in the 2022 dataset having an undue influence on figures.

Most employers in Wales whose hard-to-fill vacancies were all SSVs had taken steps to address them (85%; consistent with 84% in 2022). The most commonly taken action was the use of new recruitment methods or channels (30%), followed by increasing advertising / recruitment spend (27%). The proportion saying they had used new methods or channels increased notably compared with 2022 (when the figure was 24%), whereas the proportion increasing spend has notably decreased since 2022 (when it was 34%), suggesting that employers are increasingly looking for more innovative and cost-effective solutions to address difficulties in finding the right candidates.

Around three in ten (31%) of employers in Wales had recruited an education leaver in the last 2 to 3 years, consistent 2022 (29%) and 2019 (30%). One in nine (11%) had recruited a 16 year old school leaver, 14% had taken on a 17 or 18 year old school leaver, 13% a 17 or 18 year old Further Education (FE) college leaver (up from 10% in 2022), and 14% from a higher education institution.

Employers reported that preparedness for work was highest among higher education leavers (80%), followed by college leavers (64%), 17 or 18 year-old school leavers (50%) and 16 year olds (37%). This pattern was consistent with 2022, though reported preparedness of 16 year old school leavers fell from 51% in 2022 to 37% in 2024.

## 3.2 Introduction

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. In particular, this chapter will explore the skills and qualifications employers require from applicants.

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 the required skills, qualifications and/or experience among applicants. The chapter also explores the recruitment of education leavers and how well prepared such recruits have been for work.

The key measures used in this section are as follows:

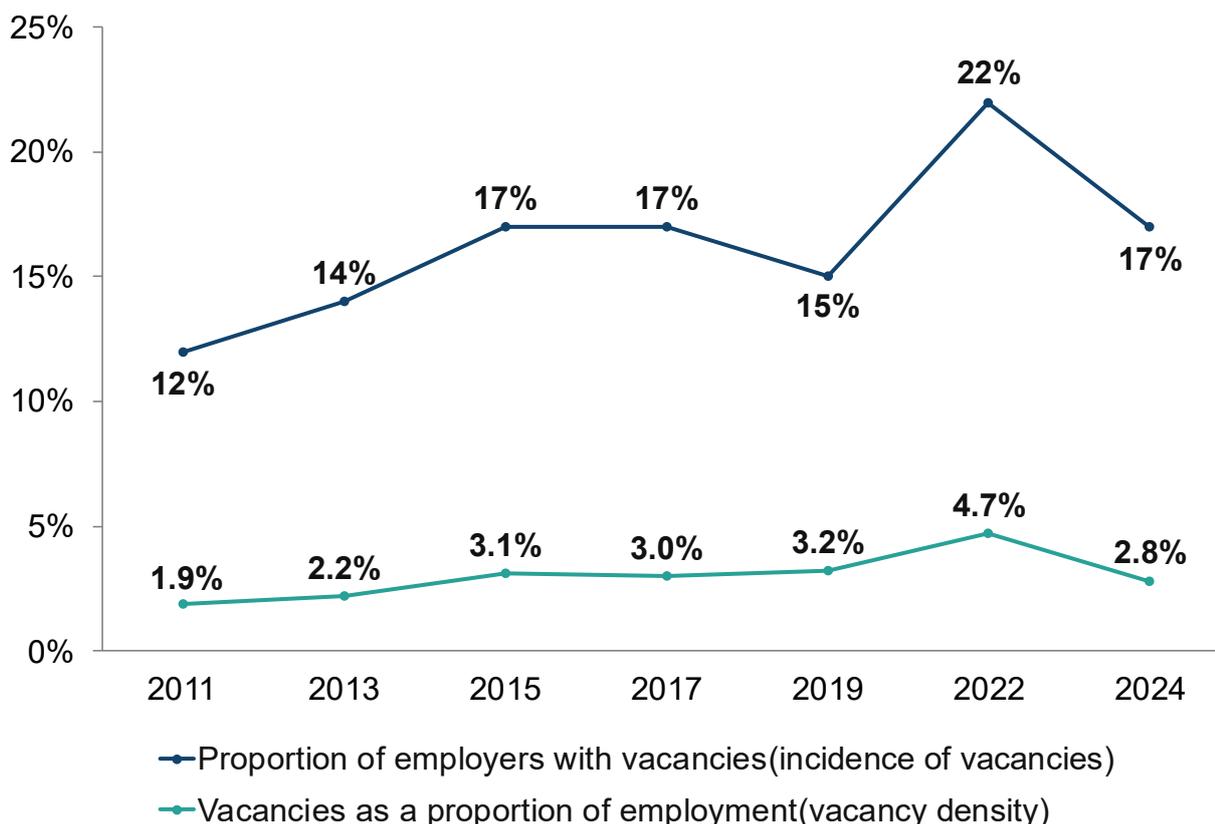
- **incidence of vacancies:** the proportion of sites reporting at least one vacancy
- **incidence of hard-to-fill vacancies:** the proportion of sites reporting at least one hard-to-fill vacancy
- **incidence of skill-shortage vacancies:** the proportion of sites reporting at least one skill-shortage 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

### 3.3 Vacancies

Across all sites in Wales, 17% of employers had at least one vacancy. As shown in

Figure 0-1 (which shows a breakdown of the incidence and density of vacancies from 2011 to 2024), this proportion has decreased since 2022 (22%) but is in line with the levels seen in 2015, 2017 and 2019 (17%, 17% and 15% respectively).

**Figure 0-1 Incidence and density of vacancies, 2011 to 2024**



Description of Figure 3-1: Chart showing the incidence of vacancies and vacancy density over the 2011 to 2024 period. Incidence of vacancies increased steadily from 12% in 2011 to 22% in 2022, before decreasing to 17% in 2024. Vacancy density also increased steadily from 1.9% in 2011 to 4.7% in 2022, before falling to 2.8% in 2024. Base: All sites in Wales (2011: 5,958; 2013: 5,996; 2015: 6,027; 2017: 5,913; 2019: 6,773; 2022: 4,825; 2024: 5,605).

Employers reported a total of around 35,700 vacancies, lower than 2022 (58,900) and 2019 (40,800) but consistent with levels seen in 2017 (36,400) and 2015 (36,500). Table 3-1 shows the volume of vacancies from 2011 to 2024.

**Table 3-1 Volume of vacancies, 2011 to 2024**

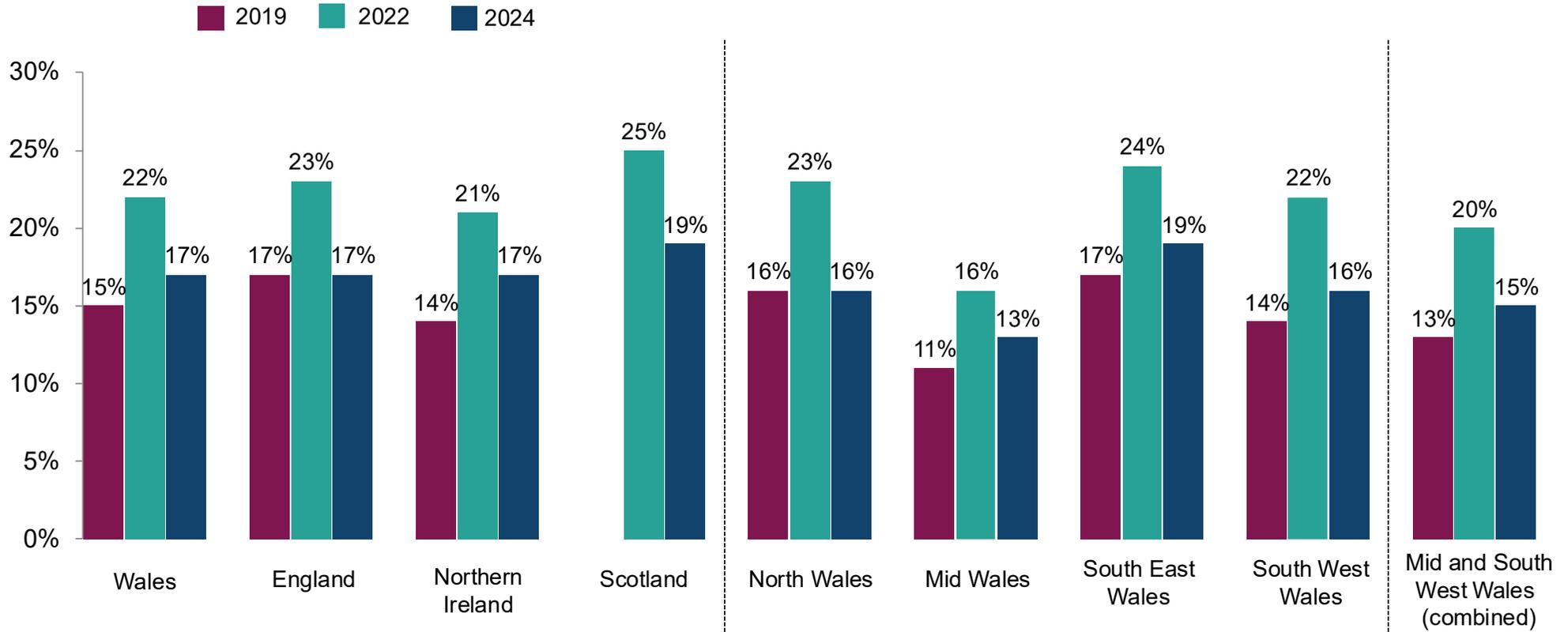
Year	2011	2013	2015	2017	2019	2022	2024
<b>Volume of vacancies</b>	25,500	25,700	36,500	36,400	40,800	58,900	35,700

Base: All sites in Wales (2011: 5,958; 2013: 5,996; 2015: 6,027; 2017: 5,913; 2019: 6,773; 2022: 4,825; 2024: 5,605).

Compared with the other UK nations, employers in Wales (17%) reported consistent vacancy levels with England and Northern Ireland (both also 17%). Employers in Scotland were most likely to report vacancies (19%). All UK nations saw a decrease in vacancy incidence compared with 2022, broadly returning to the levels seen in 2017 and 2019.

Regionally, the incidence of vacancies also decreased across each Welsh region compared with 2022, except in Mid Wales. The decrease in vacancy incidence was most notable in North Wales where vacancy levels fell from 23% in 2022 to 16% in 2024.

**Figure 0-2 Incidence of vacancies by nation and region, 2019 to 2024**



Description of Figure 3-2: Chart showing the incidence of vacancies by nation and Welsh region over the 2019-2024 period. In each nation and Welsh region, the incidence of vacancies in 2024 was lower than in 2022 and closer to the levels seen in 2019. Base: All sites (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; 2024: Wales: 5,605, England:

8,639, Northern Ireland: 3,388, Scotland: 5,080, North Wales: 1,350, Mid Wales: 717, South East Wales: 2,310, South West Wales: 1,228, Mid / South West: 1,945). Scotland was not included in 2019.

Vacancy density (vacancies as a proportion of employment) decreased in Wales compared with 2022 (2.8% vs. 4.7% in 2022), as was the case across each nation of the UK. Among Welsh regions, vacancy density notably decreased in both South East Wales (2.4% vs. 4.8% in 2022) and North Wales (2.4% vs. 4.7%). Table 3-2 below provides a full breakdown of vacancy density among the UK nations and Welsh regions.

**Table 3-2 Vacancies as a proportion of employment (vacancy density) by nation and by region, 2017 to 2024**

<b>Year</b>	<b>2017</b>	<b>2019</b>	<b>2022</b>	<b>2024</b>
<b>Nation</b>				
Wales	3.0%	3.2%	4.7%	2.8%
England	3.6%	3.2%	5.0%	3.0%
Northern Ireland	3.1%	3.1%	5.0%	3.6%
Scotland	3.1%	n/a	4.8%	3.0%
<b>Region</b>				
North Wales	3.1%	2.9%	4.7%	2.4%
Mid Wales	2.7%	2.4%	4.6%	3.4%
South East Wales	2.8%	3.2%	4.8%	2.4%
South West Wales	3.2%	3.9%	4.5%	3.8%
Mid and South West Wales (combined)	3.1%	3.5%	4.5%	3.7%

Base: All sites (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.

As in previous years, the proportion of employers who had a least one vacancy increased by size of employer. Just 8% of employers with 2 to 4 employees had vacancies, compared with 65% among employers with 100 or more employees. Conversely, vacancy density was highest among smaller sites, at 4.1% among those with 2 to 4 employees and 3.6% among those with 5 to 24 employees, compared with 2.8% on average.

Employers in the Health and Social Work (30%) and Education (26%) sectors were most likely to have at least one vacancy, compared to other sectors. Conversely, Primary Sector and Utilities employers were least likely to have vacancies (5%). Vacancy density was notably high among Wholesale and Retail (4.3% vs. 2.8% average) and Hotels and Restaurants (4.2%) employers.

The survey also identified the occupational groups where vacancies exist<sup>[footnote 4]</sup>. The highest vacancy density was found among Sales and Customer Services (4.9% vs. 2.8% average) and Skilled Trades occupations (4.8%). Comparatively, vacancy density was just 0.4% among Managers and 1.4% among Administrative and Secretarial occupations.

### **3.4 Skill-shortage vacancies**

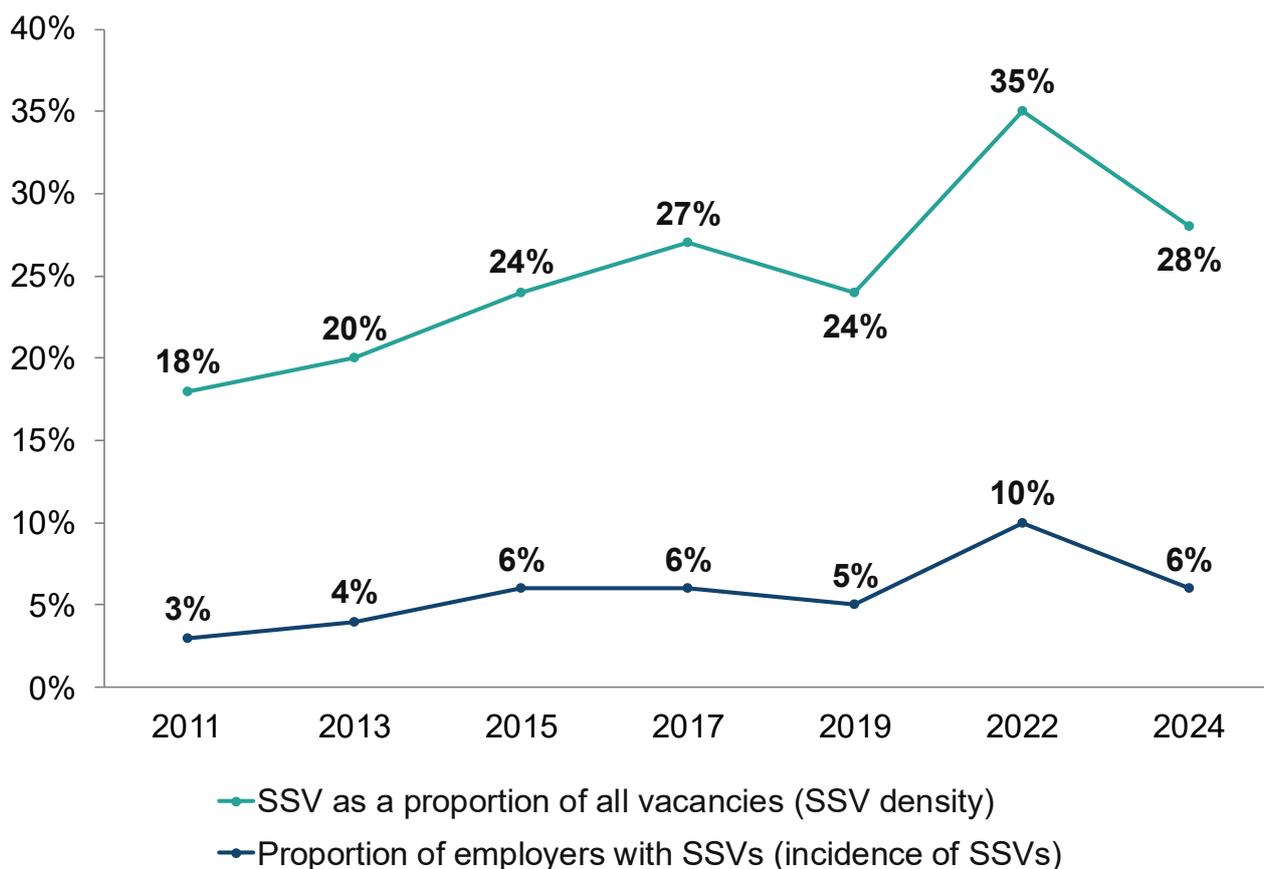
Employers that indicated that they had vacancies at the time of the interview were asked whether any of those had proved hard-to-fill and, if so, whether it was due to a lack of skills, experience or qualifications among applicants. The information provided is summarised in the skill-shortage vacancies (SSVs) measure. 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).

Around 1 in 20 employers in Wales (6%) reported a SSV in 2024. This was lower than 2022 (10%) but comparable to levels seen in previous years. The proportion of all reported vacancies which were SSVs (SSV density) also decreased when compared with 2022, from 35% to 28%. However, this proportion remains higher than previous years, suggesting that despite some variation in recent years, the density of SSVs has been gradually increasing since 2011. Figure 0-3 shows a breakdown of the incidence and density of SSVs from 2011 to 2024.

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<sup>[4]</sup> See Annex B for definitions and example types of job roles included under the occupational groupings.

**Figure 0-3 Incidence and density of skill-shortage vacancies, 2011 to 2024**



Description of Figure 3-3: Chart showing the incidence of SSVs and SSV density over the 2011 to 2024 period. Incidence of SSVs rose sharply in 2022 before decreasing in 2024 to levels previously seen in 2015 and 2017. SSV density has risen steadily since 2011, with the exception of a notable increase in 2022 and a decrease in 2024; though the figure in 2024 (28%) remains above 2019. Base: All sites in Wales (2011: 5,958; 2013: 5,996; 2015: 6,027; 2017: 5,913; 2019: 6,773; 2022: 4,825; 2024: 5,605).

In total, employers reported 10,100 SSVs in Wales in 2024. This was around half the total reported in 2022 (20,600) but in line with 2019 (9,800) and 2017 (9,900). As shown in Table 3-3, with the exception of 2022, this number has been relatively consistent since 2017.

**Table 3-3 Volume of skill-shortage vacancies, 2011 to 2024**

Year	2011	2013	2015	2017	2019	2022	2024
<b>Volume of skill-shortage vacancies</b>	4,300	5,100	8,800	9,900	9,800	20,600	10,100

Base: All sites in Wales (2011: 5,958; 2013: 5,996; 2015: 6,027; 2017: 5,913; 2019: 6,773; 2022: 4,825; 2024: 5,605).

The proportion of sites in Wales that reported an SSV decreased from 10% in 2022 to 6% in 2024. This decrease was reflected in each UK nation: 6% in England, down from 10% in 2022; 7% in Northern Ireland, down from 9% in 2022; and 7% in Scotland, down from 10% in 2022. Each nation, with the exception of Northern Ireland which remained higher, saw the incidence of SSVs broadly return to the levels seen in 2017 to 2019.

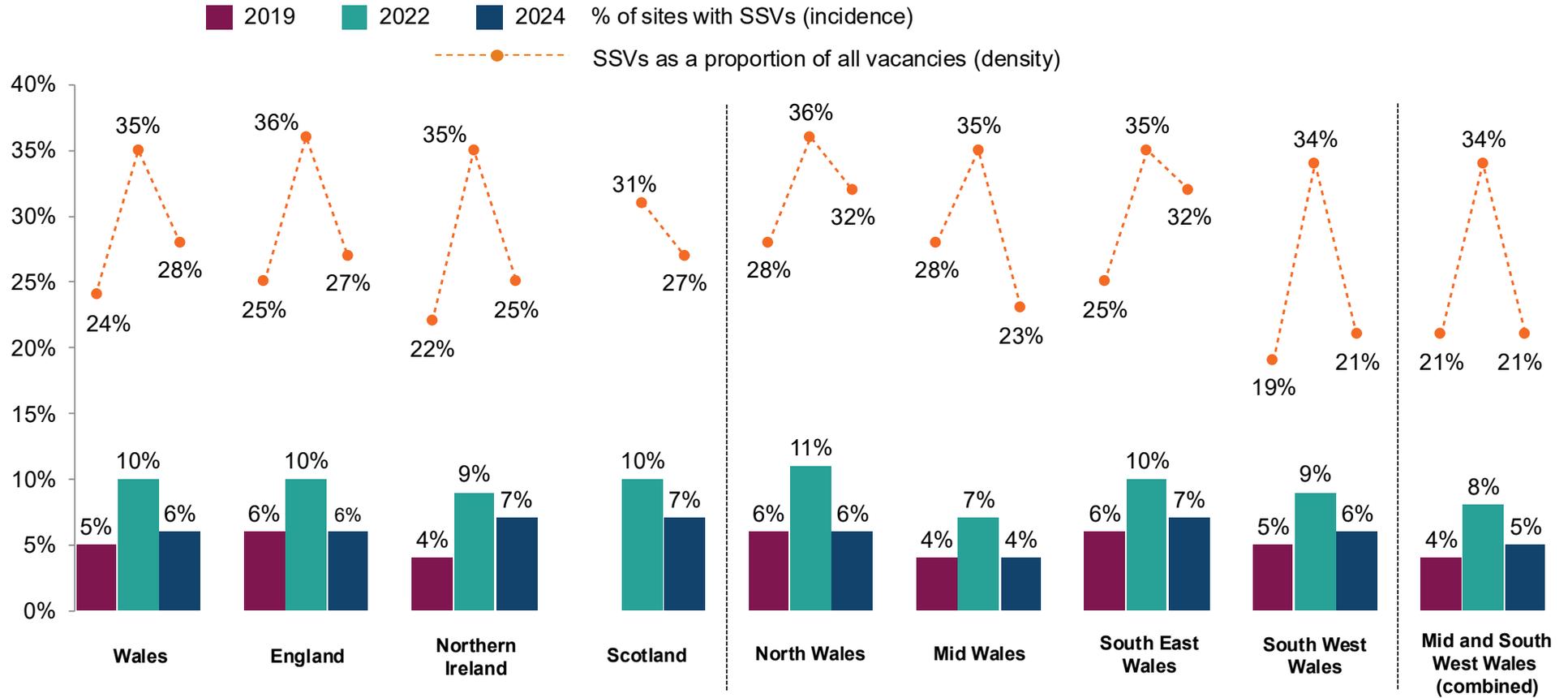
The proportion of all reported vacancies which were SSVs (SSV density) also decreased compared with 2022, not just in Wales (28% vs. 35% in 2022) but in each UK nation (see Figure 0-4).

There was more variation in the incidence and density of SSVs among employers across Welsh regions. Employers in South East Wales reported the highest incidence of SSVs (7%) while Mid Wales reported the lowest (4%). As with Wales as a whole, the incidence of SSVs decreased between 2022 and 2024 in each Welsh region.

SSV density was lowest among employers in South West Wales (21% vs. 28% across Wales). Compared with 2022, the density of SSVs notably decreased in both South West Wales (21% vs. 34% in 2022) and Mid Wales (23% vs. 35%).

Figure 0-4 below shows the incidence and density of skill shortage vacancies by nation and region from 2019 to 2024.

**Figure 0-4 Incidence and density of skill-shortage vacancies by nation and region, 2019 to 2024**



Description of Figure 3-4: Chart showing the incidence and density of SSVs by nation over the 2019 to 2024 period. In each nation and Welsh region, incidence of SSVs rose sharply in 2022 before decreasing in 2024 to the level seen in 2019. In each nation, SSV density notably increased in 2022 and decreased in 2024; though the figures in 2024 remain above 2019 in each nation; though there is some variation when looking at Welsh regions. Base: All sites (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:

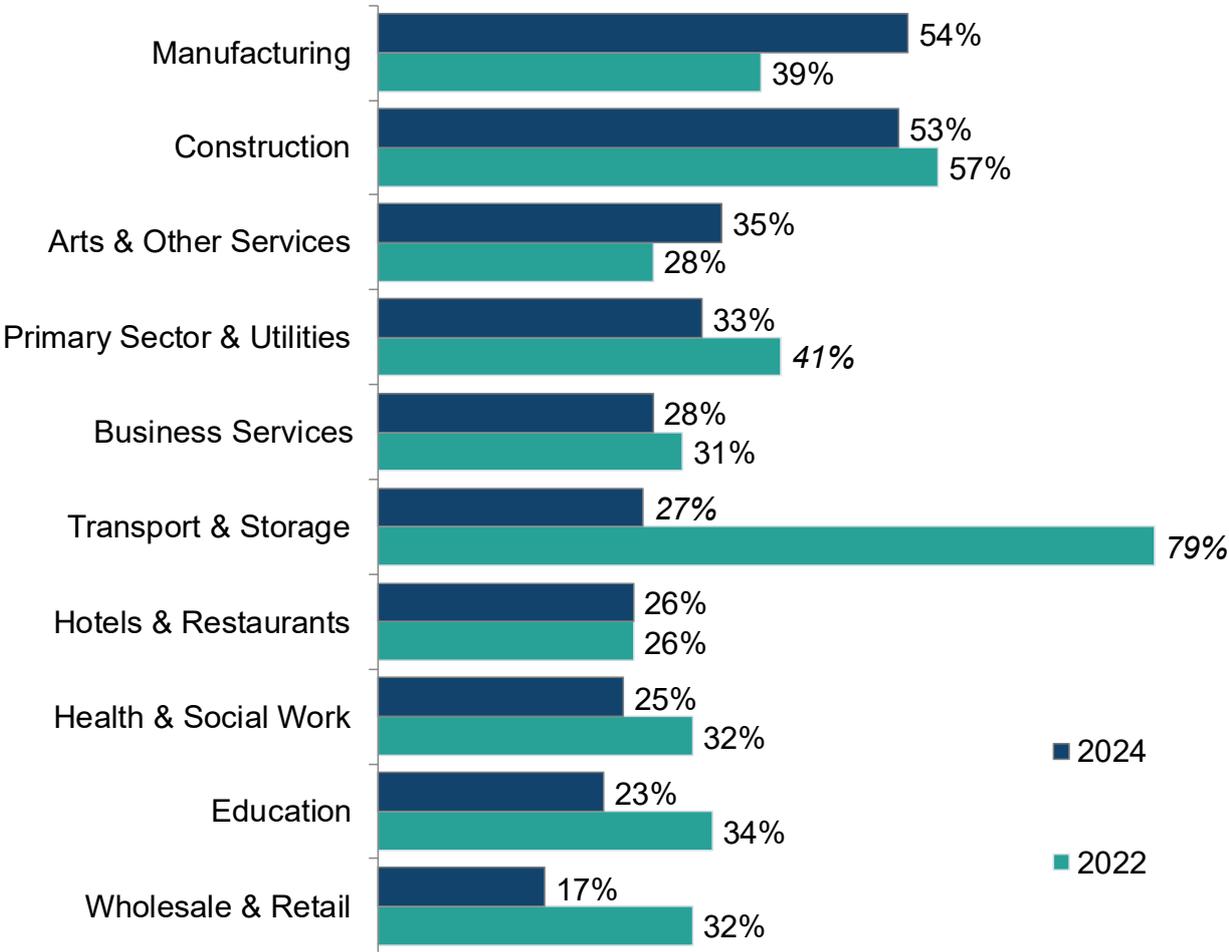
59,486, Northern Ireland: 3,400, Scotland: 5,207, North Wales: 1,193, Mid Wales: 694, South East Wales: 1,911, South West Wales: 1,027, Mid / South West: 1,721; 2024: Wales: 5,605, England: 8,639, Northern Ireland: 3,388, Scotland: 5,080, North Wales: 1,350, Mid Wales: 717, South East Wales: 2,310, South West: 1,228, Mid and South West: 1,945). Scotland was not included in 2019.

As in 2022, SSV density varied by employer size but in a non-linear way. The highest SSV density was among employers with 5 to 24 employees (38%) and the lowest among those with 100 or more employees (17%).

By sector, the highest SSV density was in the Manufacturing (54%) and Construction (53%) sectors. Wholesale and Retail (17%) had the lowest SSV density of all sectors.

Compared with 2022, the Transport and Storage sector saw the largest decrease in SSV density, from 79% in 2022 to 27% in 2024. It should be noted, however, that the size of decrease in SSV density in the Transport and Storage sector should be treated with caution due to outliers in the 2022 dataset having an undue influence on figures. There was also a notable decrease among Wholesale and Retail employers (17% vs. 32% in 2022), while there was an increase in SSV density among Manufacturing employers (54% vs. 39%).

**Figure 0-5 Skill-shortage vacancies as a proportion of all vacancies (SSV density) by sector, 2022 to 2024**



Description of Figure 3-5: Chart showing the density of SSVs by sector over the period 2022 to 2024. In 2024, SSV density was highest among Manufacturing and Construction employers. Base: All sites in Wales with vacancies (2024 range: Primary Sector and Utilities (37) to Health and Social Work (245); 2022 range: Primary Sector and Utilities (55) to Health and Social Work (305). Sectors with a base size of fewer than 30 in 2024 are not shown – this impacts the Information and Communications, Financial Services and Public Administration sectors. Note, the decrease in SSV density in the Transport and Storage

sector should be treated with caution due to outliers in the 2022 dataset having an undue influence on figures.

The volume of SSVs was highest in the Health and Social Work (1,400) and Manufacturing (1,400) sectors, and lowest in the Primary Sector and Utilities (300), Transport and Storage (400) and Education (400) sectors. A full breakdown of the volume of SSVs by sector can be found in Table 3-4.

**Table 3-4 Volume of skill-shortage vacancies by sector, 2019 to 2024**

<b>Sector</b>	<b>2019 SSV Volume</b>	<b>2022 SSV Volume</b>	<b>2024 SSV Volume</b>
Health and Social Work	2,000	3,200	1,400
Manufacturing	600	1,800	1,400
Wholesale and Retail	900	2,100	1,300
Hotels and Restaurants	1,100	2,700	1,200
Construction	1,100	1,900	1,200
Business Services	1,000	2,500	1,100
Arts and Other Services	500	800	700
Education	300	1,000	400
Transport and Storage	300	2,900	400
Primary Sector and Utilities	600	600	300

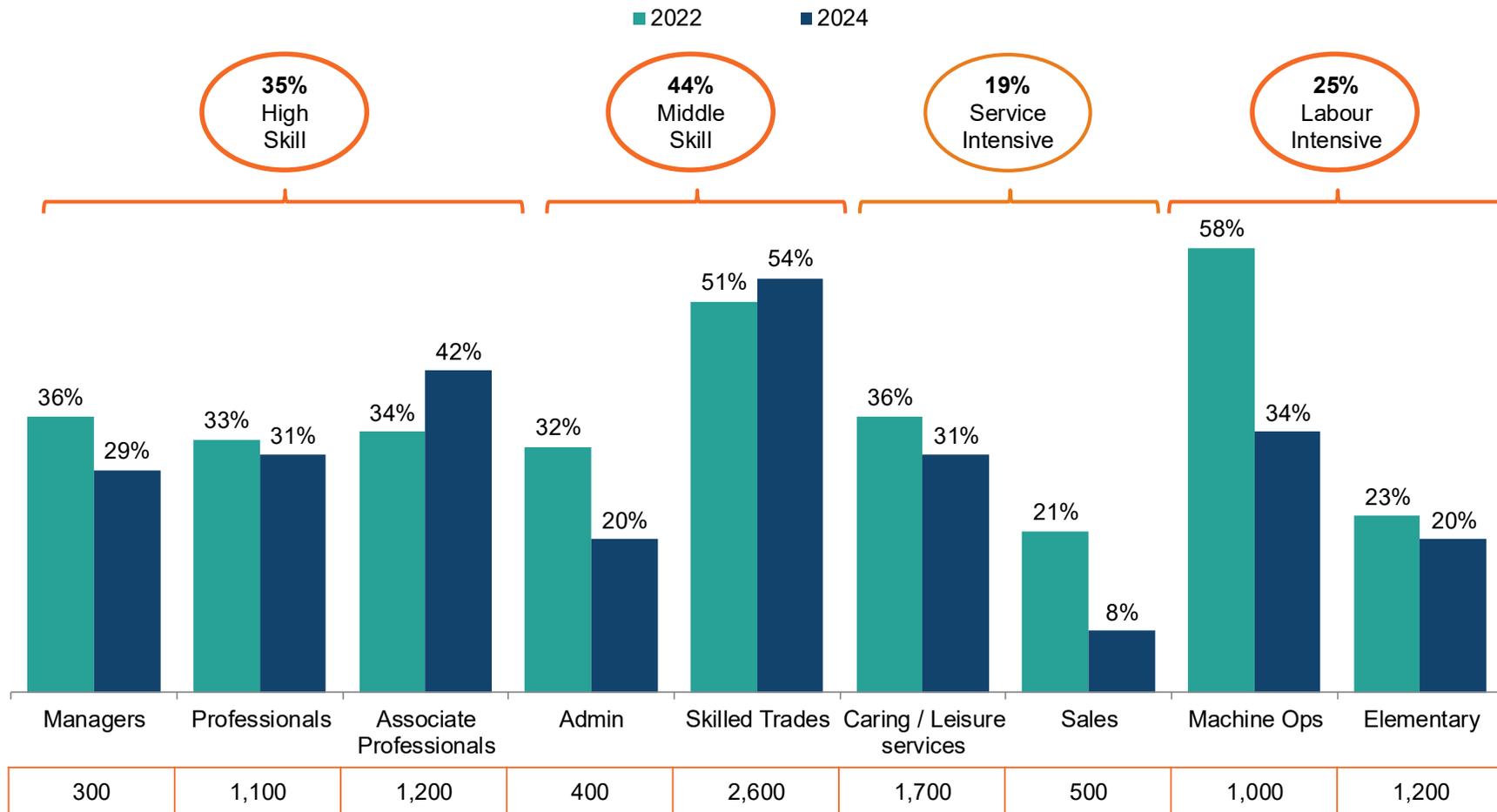
Base: All sites in Wales with vacancies (2024 range: Primary Sector and Utilities (37) to Health and Social Work (245); 2022 range: Primary Sector and Utilities (55) to Health and Social Work (305). Sectors with a base size of fewer than 30 in 2024 are not shown – this impacts the Information and Communications, Financial Services and Public Administration sectors. Note, the 2022 SSV volume figure in the Transport and Storage sector should be treated with caution due to outliers in the dataset having an undue influence on figures.

By occupation, employers were most likely to have experienced skills-related difficulties when recruiting for Skilled Trades (54%), followed by Associate Professionals (42%). SSVs notably made up the lowest proportion of vacancies within Sales and Customer Services occupations (8%); Administrative and Secretarial (19%) and Elementary (20%) occupations also had a lower SSV density when compared with the average in Wales (28%). The density of SSVs across all occupational groups over time are shown in Figure 0-6 below.

There were some notable changes in SSVs density by occupation between 2022 and 2024. SSV density among Machine Operatives roles fell from 58% in 2022 (the highest of all occupation groups that year) to 34% in 2024. SSV density also decreased among Sales and Customer Services (8% vs. 20% in 2022) and Administrative and Secretarial occupations (19% vs. 30%). Please note that the decrease in SSV density for Machine Operatives

occupations should be treated with caution due to outliers in 2022 having an undue influence on figures.

**Figure 0-6 Density and volume of skill-shortage vacancies (SSVs) by occupation, 2022 to 2024**



Description of Figure 3-6: Chart showing the density of SSVs by occupation over the period 2022 to 2024. In 2024 density was highest among Skilled Trades occupations, whereas in 2022 it was highest among Machine Operatives. Base: All sites in Wales with vacancies in each type of occupation (2022 range: Managers 90 to Elementary occupations 384, 2024 range: Managers 84 to Caring / Leisure services)

273). Note, the 2022 SSV density figure for Machine Operatives should be treated with caution due to outliers in the dataset having an undue influence on figures.

### 3.5 Skills lacking in the available labour market

Employers with skill-shortage vacancies were read a list of skills and asked, for each occupation in which they reported skill-shortage vacancies<sup>[footnote 5]</sup>, 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.

#### 3.5.1 Technical and practical skills

Around 9 in 10 (89%) SSVs were caused, at least in part, by a lack of technical and practical skills, the same proportion as 2022 and in line with the 2019 (88%) and 2017 (91%) figures. As in 2019 and 2022, a lack of specialist skills or knowledge was most commonly mentioned by employers with SSVs (67% in 2024, 63% in 2022 and 64% in 2019). The proportion of employers reporting a lack of each prompted technical and practical skill either remained the same or increased between 2022 and 2024. The technical and practical skills that saw the greatest increase in the proportion of SSVs they affected were:

- solving complex problems (48%, up from 38% in 2022)
- adapting to new equipment and materials (32%, up from 23%)
- more complex numerical or statistical skills and understanding (28%, up from 19%) and
- manual dexterity (25%, up from 17%)<sup>[footnote 6]</sup>

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’). Complex analytical skills (affecting 56% of SSVs in 2024 vs. 43% in 2022), digital skills (37% vs. 28%) and basic skills (42% vs. 37%) all saw increases in the proportion of SSVs in which they were lacking among applicants.

The increase in broad complex analytical skills lacking was driven by increases in the proportion of SSVs affected by applicants lacking the ability to solve complex problems (48% vs. 38% in 2022) and complex numerical skills (28% vs. 19%). The increase in broad digital skills lacking was driven by increases in applicants to SSVs lacking both basic IT skills (27% vs. 20% in 2022) and advanced IT skills (21% vs. 16%); basic computer skills

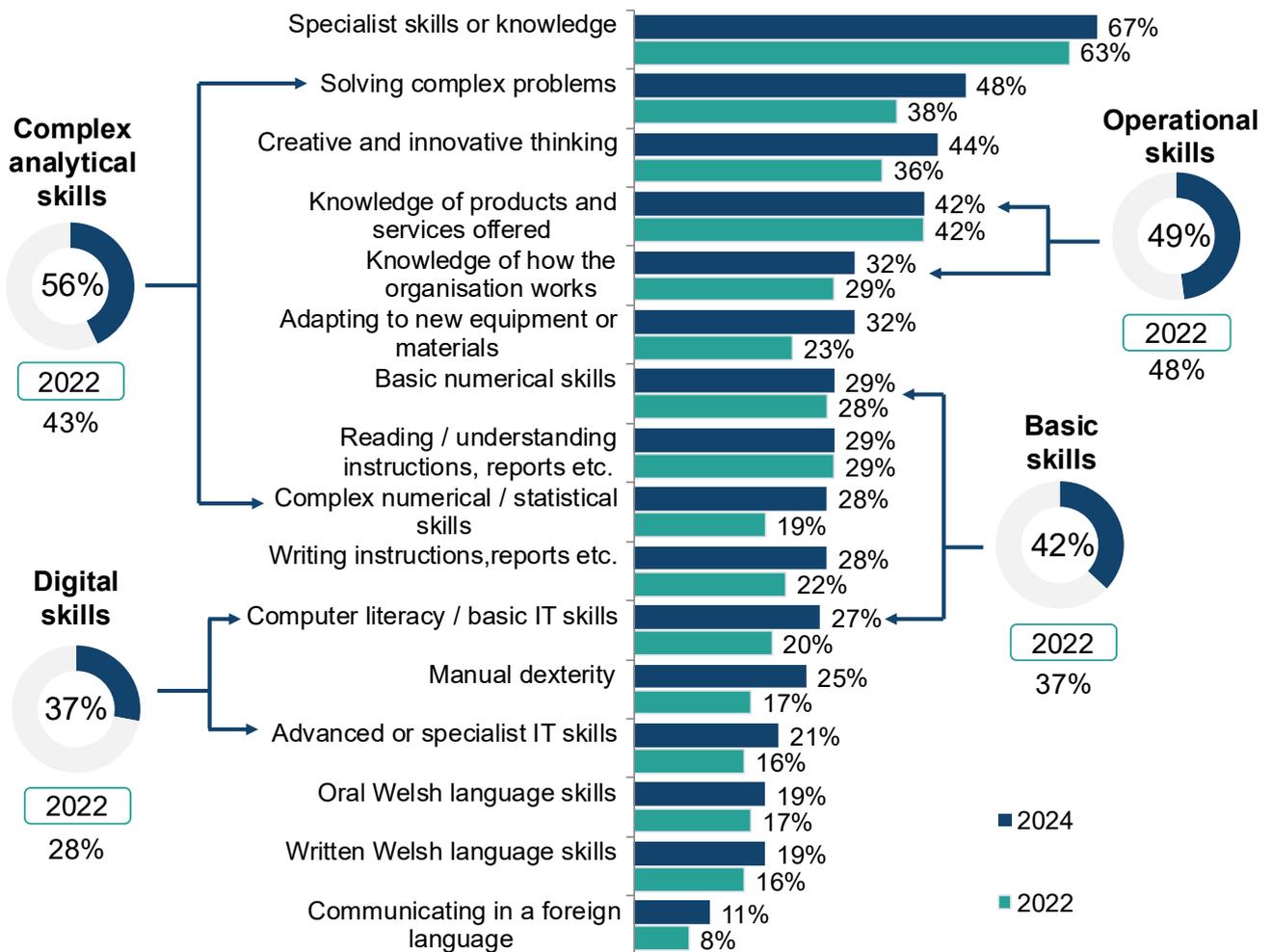
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<sup>[5]</sup> Up to a maximum of two occupations chosen at random.

<sup>[6]</sup> This could include the ability to mend, repair, assemble, construct or adjust things.

lacking also contributed to the increase in broad basic skills lacking. Figure 0-7 shows the technical and practical skills that employers reported as difficult to obtain from applicants in 2024 and 2022.

**Figure 0-7 Technical and practical skills found difficult to obtain from applicants in Wales, 2022 to 2024**



Description of Figure 3-7: Chart showing specific technical and practical skills lacking among candidates for SSVs over the period 2022 to 2024. In both years, specialist skills or knowledge needed to perform the job role were most commonly lacking. Base: All sites in Wales with SSVs – up to two occupations followed up (2022: 640; 2024: 469).

Within the Manufacturing sector, which had the highest density of SSVs (54% vs. 28% average), applicants were more likely to be lacking the specialist skills and knowledge required to perform the role (81% vs. 67% average); knowledge of products and services (53% vs. 42%); the ability to adapt to new equipment or materials (48% vs. 32%); more complex numerical skills (40% vs. 28%); and manual dexterity skills (41% vs. 25%).

Among SSVs in the Construction sector, which had the second highest SSV density (53% vs. 28% average), applicants were more likely to be lacking the ability to read and understand instructions (45% vs. 29% average), more complex numerical skills (43% vs.

28%), the ability to write instructions, guidelines, manuals or reports (38% vs. 28%); and manual dexterity skills (38% vs. 25%).

Regionally, a lack of operational skills was most prevalent in South West Wales (56% vs. 49% average). A lack of complex analytical skills was more likely in South East Wales (60% vs. 56% average). Digital skills and basic skills were relatively consistent across regions, with the exception of Mid Wales, which was less likely to report a lack of 'basic skills' compared to other regions (30% vs. 42% average).

By nation, a lack of complex analytical skills was more prevalent among Welsh employers (56%) compared with those in England (49%). In Wales, applicants to SSVs were also more likely to be lacking basic skills when compared with England and Northern Ireland (42% vs. 36% in both England and Northern Ireland). Digital skills were more likely to be lacking in Wales (37%) compared with Scotland (31%). When considering operational skills, these were more likely to be lacking among applicants to SSVs in Wales (49%) when compared with Northern Ireland (42%), but less likely than in England (54%).

Around 1 in 5 Welsh employers reported a lack of oral (19%) and written (19%) Welsh language skills. This proportion was highest in the Health and Social Work (46% oral skills and 40% written Welsh language skills) and Education (45% and 39%) sectors. Regionally, applicants to SSVs in South West Wales were most likely to be lacking written Welsh language skills (32% vs. 19% average) and oral Welsh language skills (30% vs. 19%).

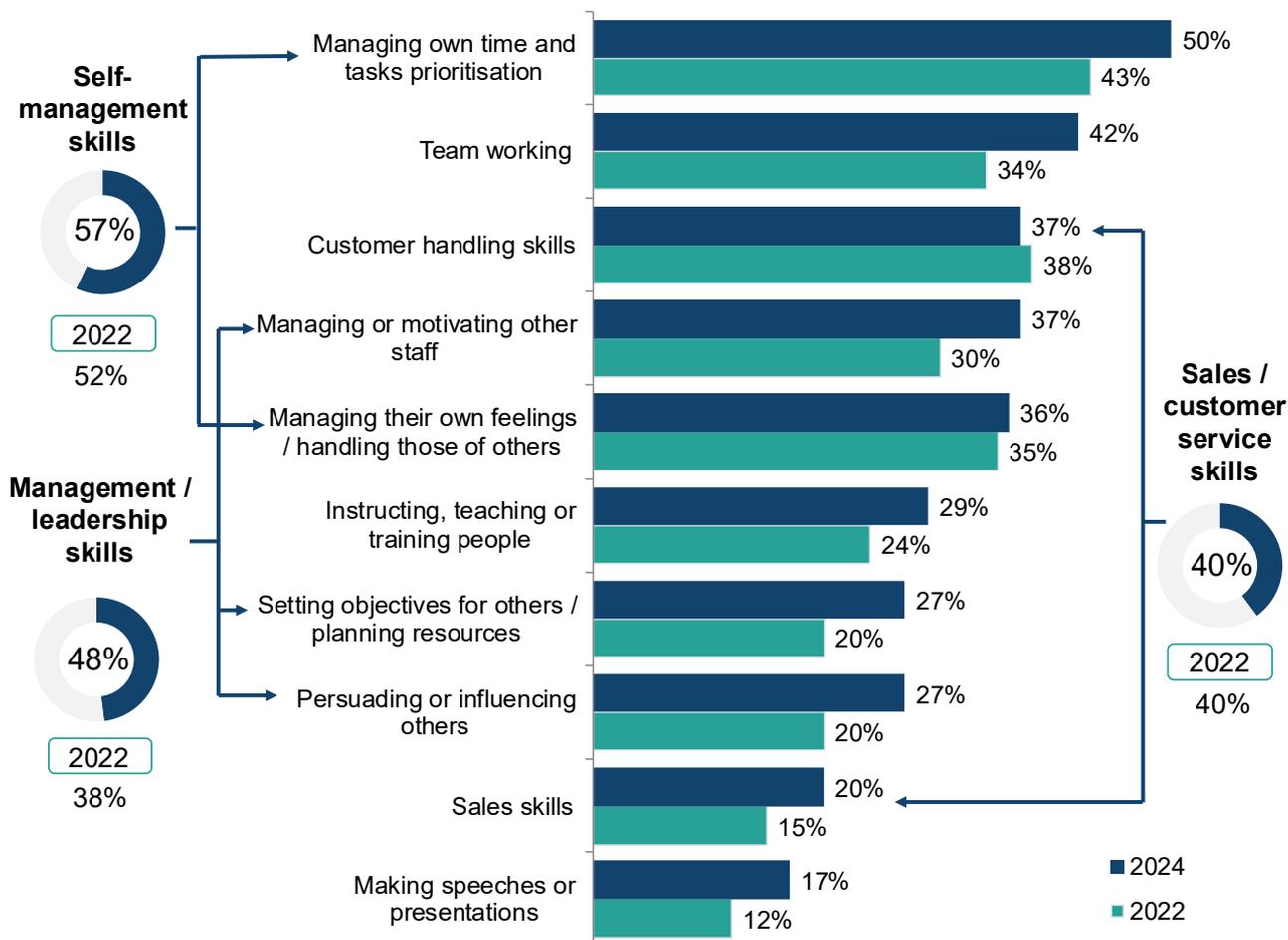
### **3.5.2 People and personal skills**

Turning to people and personal skills, three quarters (75%) of SSVs were caused, in part, by a lack of these skills; this was consistent with previous years. This was in line with 2022, (69%), 2019 (72%) and 2017 (76%).

As in 2022, time management and task prioritisation was the skills most likely to be lacking (50%), though this proportion had increased compared with 2022 (43%). Overall there was an increase in the proportion of employers identifying a lack of people and personal skills across all skills prompted, with the exception of customer handling skills and employees' ability to manage their own feelings or handle the feelings of others, which both remained consistent with 2022.

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'). Compared with 2022, there was an increase in the prevalence of both self-management skills (57% vs. 52% in 2022) and management and leadership skills (48% vs. 38%) lacking. There was no change, however, in the proportion reporting sales and customer skills lacking (40% in both 2022 and 2024).

**Figure 0-8 People and personal skills found difficult to obtain from applicants in Wales, 2022 to 2024**



Description of Figure 3-8: Chart showing specific people and personal skills lacking among candidates for SSVs over the period 2022 to 2024. In both years, time management and task prioritisation skills were most commonly lacking. Base: All sites in Wales with SSVs – up to two occupations followed up (2024: 469; 2022: 640).

By sector, broad sales and customer service skills were more likely to lacking among applicants to SSVs in the Hotels and Restaurants (55% vs. 40% on average) and Wholesale and Retail (50%) sectors, while Hotels and Restaurants applicants were also more likely to be lacking broad self-management skills (69% vs. 57% average).

Regionally, applicants to SSVs in South East Wales were most likely to be lacking both broad management and leadership skills (52% vs. 48% average) and broad sales and customer service skills (46% vs. 40% average).

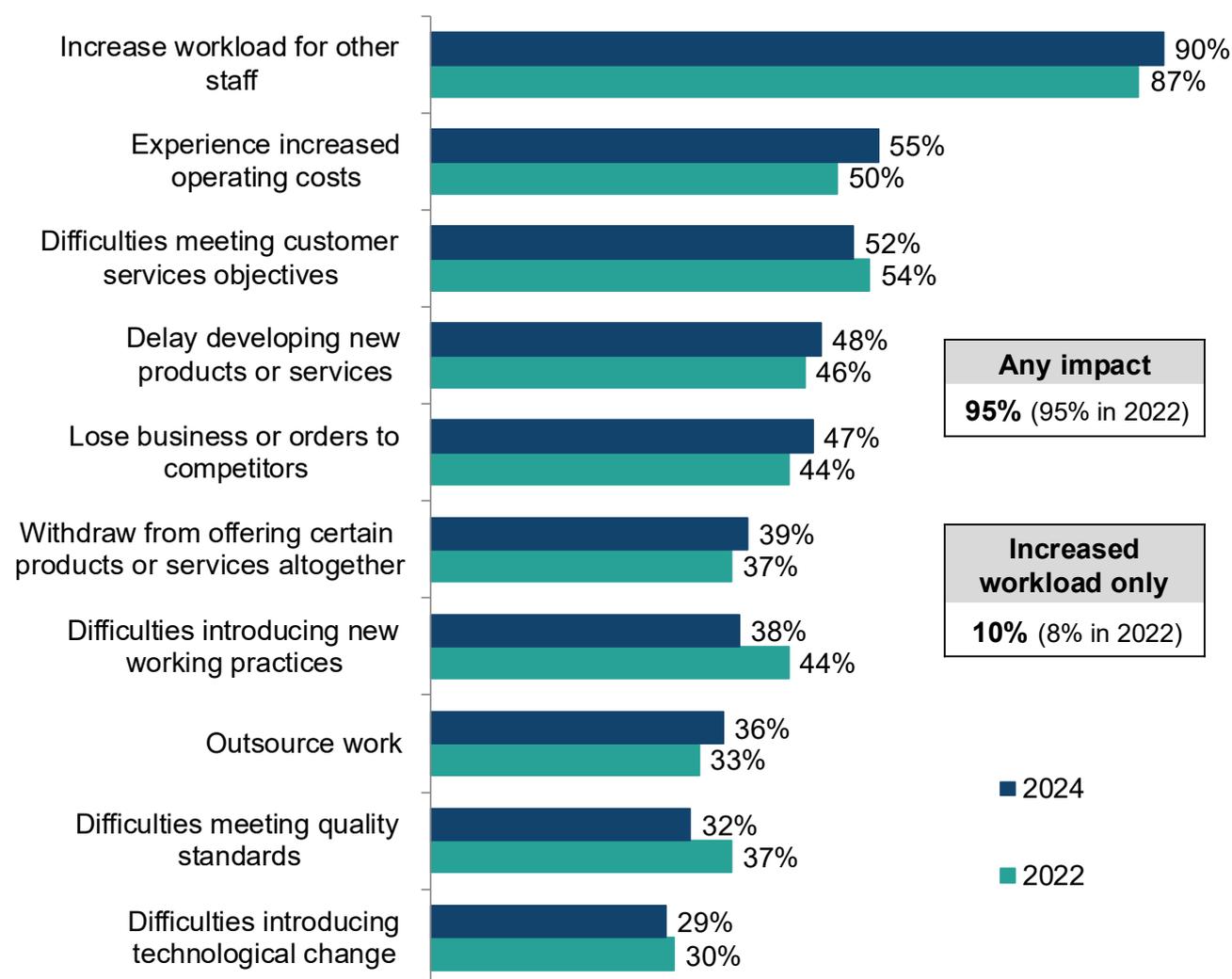
By nation, management and leadership skills were more likely to be lacking in Wales (48%) when compared with Northern Ireland (42%) and Scotland (43%). Sales and customer service skills were more likely to be lacking among applicants in Wales (40%) when compared with Northern Ireland (34%), however, the opposite was true when looking at self-management skills (57% vs. 61% in Northern Ireland).

### 3.6 The impact of skill-shortage vacancies

As has been the case in previous ESS iterations, the vast majority (95%) of sites in Wales whose hard-to-fill vacancies were all SSVs said that they had an impact on business performance; this was the same proportion as in 2022.

The most common impact reported was increased workloads for other staff, reported by 9 in 10 sites where all hard-to-fill vacancies were a result of skill-shortages (90%). This has been the most common impact in each iteration of the ESS survey. Over half these sites also reported that SSVs resulted in increased operating costs (55%) and difficulties meeting customer service objectives (52%). These results are broadly in line with 2022, as shown in Figure 0-9 (which shows the impact of SSVs over time), with the exception of difficulties introducing new working practices (38% vs. 44% in 2022) and difficulties meeting quality standards (32% vs. 37%).

**Figure 0-9 Impact of skill-shortage vacancies (prompted), 2022 to 2024**



Description of Figure 3-9: Chart showing the impact of SSVs on sites over the period 2022 to 2024. In both years, the most common impact of SSVs were increased workloads for existing staff. Base: All sites in Wales where all hard-to-fill vacancies were caused by skills related issues (2024: 427; 2022: 528).

Impacts of SSVs varied by site size. Larger employers with 100 or more employees were more likely to have experienced increased operating costs (74% vs. 55% average) and difficulties introducing new technology (53% vs. 29%) compared to smaller sites (with less than 100 employees). Conversely, larger employers were least likely to have withdrawn from offering certain products as a result of SSVs (23% vs. 39% average). Employers with 5 to 24 employees were most likely to have had difficulties meeting customer service objectives (57% vs. 52% average) and difficulties introducing new working practices (43% vs. 38% average), suggesting the link between these impacts and size is non-linear.

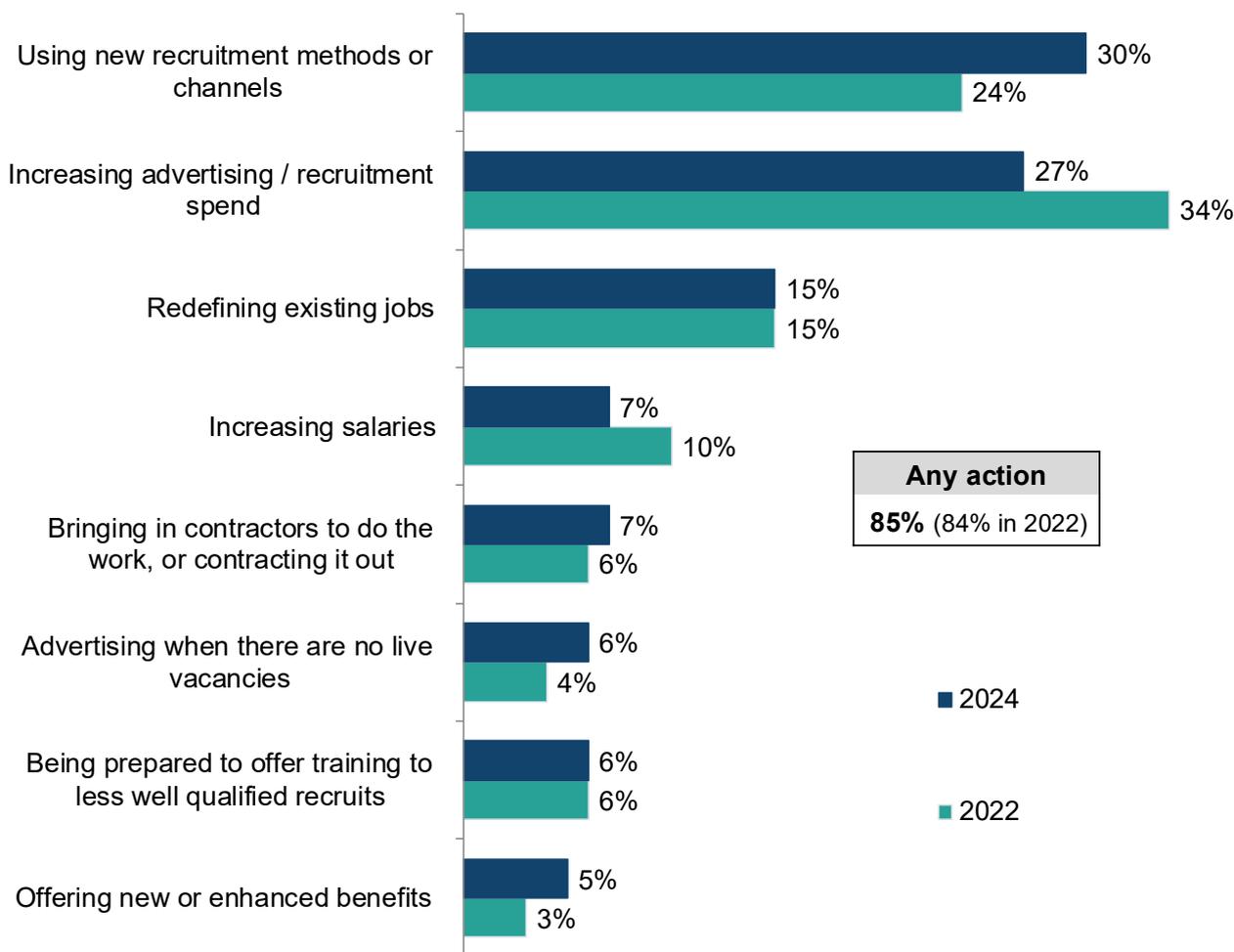
By sector, the impacts of SSVs varied, Business Services (71% vs. 52% average) and Wholesale and Retail (65%) employers were most likely to have experienced difficulties meeting customer service objectives. Business Services employers were also more likely to report losing business or orders to competitors (61% vs. 47% average), have had difficulties meeting quality standards (46% vs. 32%), and have difficulties introducing technological change (41% vs. 29%). Nearly 6 in 10 (59%) employers in the Construction sector said they had had to outsource work, compared to 36% across all sectors. Health and Social Work employers were less likely to report having experienced any impact (89% vs. 95% average).

### **3.7 Employer response to skill-shortage vacancies**

Sites whose hard-to-fill vacancies were all SSVs were asked what actions, if any, they had taken to attempt to overcome these challenges. Overall, 85% of employers had taken some form of action in 2024. This aligns with the proportions seen in 2022, 2019 and 2017 (84%, 80% and 84% respectively).

The key actions taken by employers in response to SSV impacts were largely consistent between 2022 and 2024, as shown in Figure 0-10. The proportion saying they had used new methods of channels increased notably compared with 2022 (when the figure was 24%), whereas the proportion increasing spend has notably decreased since 2022 (when it was 34%), suggesting that employers in Wales are increasingly looking for more innovative and cost-effective solutions to address difficulties in finding the right candidates.

**Figure 0-10 Actions taken by sites to overcome skill-shortage vacancies (unprompted), 2022 to 2024**



Description of Figure 3-10: Chart showing the key actions taken by employers in response to SSV impacts were largely consistent between 2022 and 2024. In 2022, the most common action was increased advertising or recruitment spend, followed by using new recruitment methods of channels. In 2024 the opposite was true. Base: All sites in Wales where all hard-to-fill vacancies were caused by skills related issues (2024: 427; 2022: 528). Responses cited by fewer than 5% in 2024 are not shown.

When comparing actions taken by site size, larger employers with 100 or more employees were able to utilise their existing infrastructure in order to meet the challenges posed by SSVs, notably when it came to training provision. One in five larger employers (20%) had increased the amount of training given to existing staff and 12% expanded their apprenticeship programmes; in contrast, zero employers with 2 to 4 employees cited either of these actions. Larger employers were also more likely to be using a range of recruitment practices to fill SSVs at their site; 17% were offering new recruits new or enhanced benefits compared with 2% of those with 2 to 4 employees, while 15% were advertising when they

did not have live vacancies compared with 6% on average. All larger sites (100%) had taken at least one action; this fell to 66% among the smallest employers with 2 to 4 staff<sup>[footnote 7]</sup>.

By sector, Education (97%) and Health and Social Work (94%) employers were most likely to have taken any action to address the impact of SSVs. Hotels and Restaurants employers were least likely (71%). Education employers were most likely to have increased their recruitment spend (44% vs. 27% average) and be offering new or enhanced benefits to new recruits (14% vs. 5% average)<sup>[footnote 8]</sup>. Despite being least likely to have taken any action, Hotels and Restaurants employers were most likely to advertise when they had no live vacancies (15% vs. 6% average).

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. A fifth (20%) of sites had recruited or tried to recruit non-UK already living in the UK. This was the lowest proportion among UK nations (26% in England, 25% in Scotland and 24% in Northern Ireland). A smaller proportion (6%) of Welsh employers had attempted to recruit among non-UK nationals who had moved or planned to move to the UK for the job.

### **3.8 Recruitment of education leavers**

Overall, 46% of employers in Wales had recruited someone in the last 12 months. This is similar to 2022 levels (48%) and aligned with 2019 and 2017 levels (both 46%).

Around three in ten (31%) of employers in Wales had recruited an education leaver in the last 2 to 3 years, consistent 2022 (29%) and 2019 (30%). Just under a fifth (19%) had recruited school leavers. One in nine (11%) had recruited a 16 year old school leaver, 14% had taken on a 17 or 18 year old school leaver, 13% a 17 or 18 year old Further Education (FE) college leaver (up from 10% in 2022), and 14% from a higher education institution.

There were some variations in likelihood of recruiting education leavers across UK nations. Employers in Wales were least likely to recruit university or other Higher Education leavers (14%) compared to employers in England (16%) and Northern Ireland (17%). Employers in Wales and England (both 14%) were less likely to employ 17 or 18 year old school leavers compared to those in Northern Ireland (17%). However, the proportion recruiting any school leavers overall was similar across nations<sup>[footnote 9]</sup>.

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<sup>[7]</sup> Please note that the base for employers with 100 or more employees was 35 and employers with 2 to 4 employees was 39. Results should therefore be treated with caution.

<sup>[8]</sup> Please note that the base for Education employers was 37. Results should therefore be treated with caution.

<sup>[9]</sup> Sites in Scotland were asked a separate set of questions, tailored to the Scottish education system, so they are not comparable to the Wales results.

**Table 3-5 Recruitment of education leavers by nation and region**

	<i>Unweighted base</i>	<b>Any education leaver</b>	<b>Any school leaver</b>	<b>16 year-old school leaver</b>	<b>17 to 18 year-old school leaver</b>	<b>College leaver</b>	<b>HEI leaver</b>
<b>Nation</b>							
Wales	1,384	31%	19%	11%	14%	13%	14%
England	2,156	33%	19%	11%	14%	14%	16%
Northern Ireland	804	34%	21%	12%	17%	14%	17%
<b>Region</b>							
North Wales	348	30%	19%	12%	13%	10%	11%
Mid Wales	166	23%	12%	5%	10%	12%	8%
South East Wales	553	37%	22%	14%	17%	17%	19%
South West Wales	317	26%	16%	9%	13%	11%	10%
Mid and South West Wales	483	25%	15%	8%	12%	11%	9%

Base: All sites in Module C.

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. Employers were therefore asked about how prepared they felt education leavers were for work. The perceived preparedness of education leavers varied by level of education.

The percentage of employers satisfied with the level of preparation was highest for leavers from higher education institutions (80%), compared to college leavers (64%), 17 to 18 year-old school leavers (50%), and 16 year-old school leavers (37%). This relationship between higher levels of education and higher proportions of satisfaction among employers is broadly consistent with 2022. However, the proportion of employers that felt that 16 year old school leavers were either 'very' or 'well' prepared for work decreased from 51% in 2022 to 37% in 2024.

Employers who recruited education leavers were asked what skills were lacking among those who had been poorly prepared. Broadly, employers were more likely to report that skills were lacking among younger education leavers. For example, more than one quarter of 16 year-old school leavers were reported to have a poor attitude or lack motivation (28%) and lack working world / life experience or maturity (27%), whereas just 6% of higher education leavers were reported to be lacking these skills. A full breakdown of the preparedness for work and skills lacking among education leavers is shown in Table 3-6.

**Table 3-6 Preparedness for work of different education leavers and skills lacking (unprompted)**

	<b>16 year-old school leaver</b>	<b>17 to 18 year-old school leaver</b>	<b>College leaver</b>	<b>HEI leaver</b>
<i>Unweighted base</i>	209	289	264	275
<b>'Very well' or 'well' prepared</b>	<b>37%</b>	<b>50%</b>	<b>64%</b>	<b>80%</b>
Poor attitude / personality or lack of motivation	28%	26%	17%	6%
Lack of working world / life experience or maturity	27%	19%	15%	6%
Lack required soft / personal skills or competencies	17%	8%	7%	4%
Lack of common sense	10%	6%	2%	2%
Lack required technical skills or competencies	6%	5%	6%	3%
Poor education	4%	4%	3%	3%
Numeracy skills	3%	<0.5%	<0.5%	<0.5%
Literacy skills	1%	1%	0%	<0.5%

Base: All sites who have recruited education leavers to first job in last 2 to 3 years (Module C).

Looking across the UK, sixteen year-old school leavers in Wales (37%) were least likely to be 'very well' or 'well' prepared for work (37%, compared with 53% in England and 43% in Northern Ireland). Wales also had the lowest proportion of 'very well' or 'well' prepared 17 to 18 year-olds recruited from an FE College (64%, compared with 71% in England and 69% in Northern Ireland). Compared with Northern Ireland, 17 to 18 year-old recruits from school in Wales were less likely to be 'very well' or 'well' prepared (50% vs. 60% in Northern Ireland). There were no differences among the nations in the preparedness of higher education leavers.

## 4 The Internal Skills Challenge

### 4.1 Chapter summary

Around 1 in 8 (12%) employers in Wales reported skills gaps within their workforce, a decrease from the 14% seen in 2022. The proportion of employees considered not fully proficient (skills gap density) in 2024 (3.9%) was similar to both 2022 and 2019 (4.1% in 2022 and 4.0% in 2019); overall, 50,400 employees in Wales were considered to have skills gaps.

Across the four UK nations, skills gap density was broadly consistent in 2024. This marks a contrast with 2022, when Wales had the lowest skills gaps density (4.1% vs. 4.6% in Northern Ireland, 4.8% in Scotland and 5.9% in England). As noted above, skills gap density in Wales has remained consistent since 2019, whereas both England (4.6% in 2019, 5.9% in 2022 and 4.1% in 2024) and Northern Ireland (3.3% in 2019, 4.6% in 2022 and 4.0% in 2024) have seen fluctuations in recent years.

Skills gap density varied by sector; it was highest among Financial Services (6.8%), Hotels and Restaurants (6.4%) and Arts and Other Services (6.4%) employers, and lowest among Information and Communications (2.0%) and Health and Social Work (2.2%) employers. Generally, skills gap density at the sectoral level was similar to 2022. Skills gap density was notably highest in South East Wales (4.5%, compared with 3.3% to 3.4% in other Welsh regions).

The occupations most affected by skills gaps were labour-intensive roles (5.3% with skills gaps) and most notably Elementary occupations (6.2%). Skills gap density was lowest among those in high skill positions, including Managers (1.5%) and Professionals (2.6%).

The most common causes of skills gaps were staff being new to the role (71%), followed by training only being partially completed (59%). These particular causes are both transient in nature, meaning that they should resolve themselves over time.

The skills that were most likely to be lacking among staff were the ability to manage their own time (contributing to 60% of skills gaps), team working (50%) and specialist skills or knowledge needed to perform the role (49%). These were also the three most cited skills that were lacking in 2022.

Around 6 in 10 employers (62%) with skills gaps felt these had affected their business' performance, with 12% reporting they had a major impact. These figures both decreased compared with 2022 (68% and 16% respectively). The most common impact for employers, as in previous years, was an increased workload for other employees, mentioned by half (50%) of employers with skills gaps; though this represented a smaller proportion citing this compared with 2022 (56%).

Around 8 in 10 (79%) employers with skills gaps had taken steps to improve the proficiency of their workforce, consistent with the proportion seen in 2022 (80%). The most common actions, as in 2022, were to increase training activity or spend (64%) and increase the supervision of staff with skills gaps (55%).

Around 6 in 10 (59%) sites in Wales expected they would need to upskill their workforce in the next 12 months, a notably smaller proportion than in 2022 (67%) and 2019 (68%). This was similar to the proportions seen in England (59%) and Scotland (61%) but higher than Northern Ireland (55%). The main reasons for needing to upskill were the introduction of new legislative or regulatory requirements (39%), the introduction of new technologies or equipment (38%), the introduction of new working practices (34%), and the development of new products and services (33%). As in 2022 and 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 (48%).

One third (33%) of sites had staff with qualifications and skills that were more advanced than required for their job role, a decrease when compared with 2022 (38%) but in line with the proportion seen in 2019 (34%). Overall, 126,000 workers (9.8% of the workforce) were said to be under-utilising their skills and qualifications in their job role, a higher proportion than in the other UK nations (7.0% in England, 6.8% in Northern Ireland and 7.1% in Scotland).

## 4.2 Introduction

A skills gap is defined in ESS as an employee who is not fully proficient at their job. Persistent skills gaps can hinder a sites 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.

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 site may be less likely to report skill gaps. Some commentators have termed these 'latent skill gaps' (Hogarth & Wilson, 2001).

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 sites reported their staff to be lacking and the impact that skills gaps have on these employers.

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

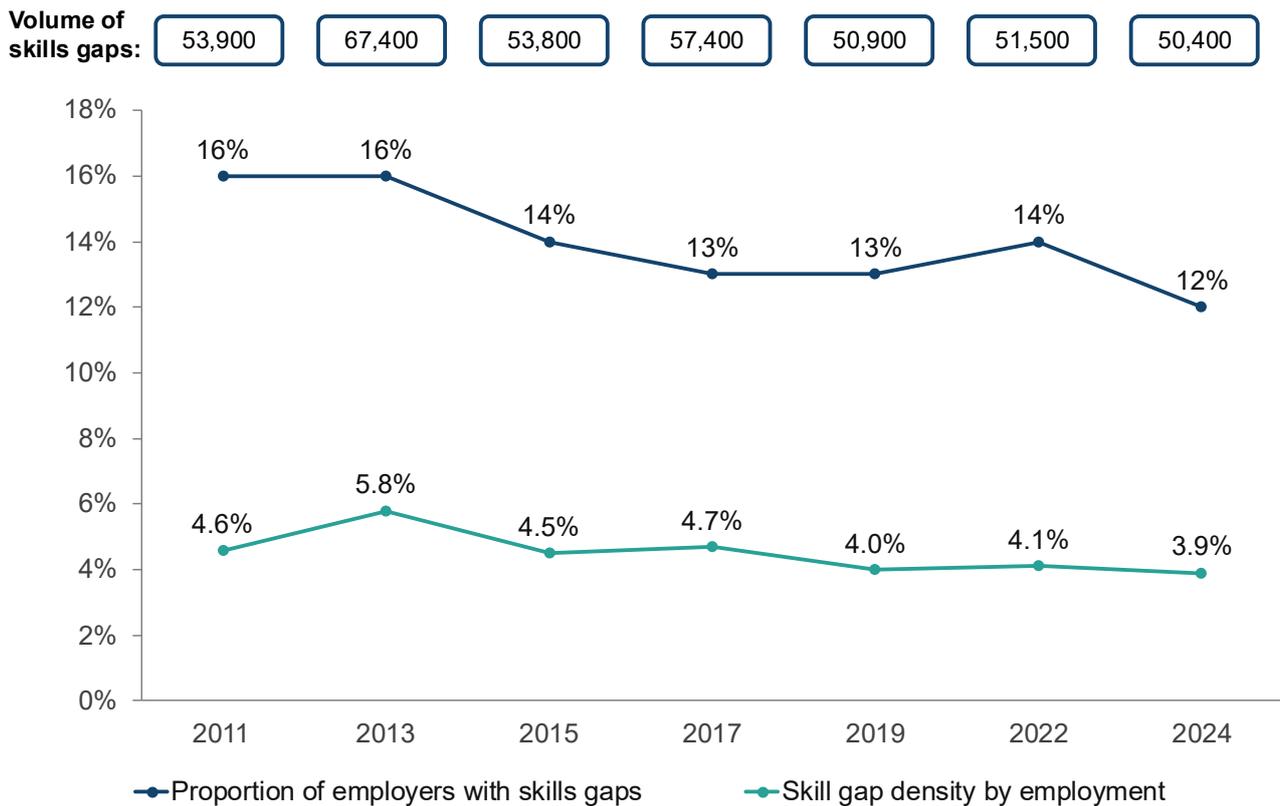
- **density of skills gaps:** the number of employees that lack full proficiency as a proportion of all employees

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.

### 4.3 Incidence, volume and density of skills gaps

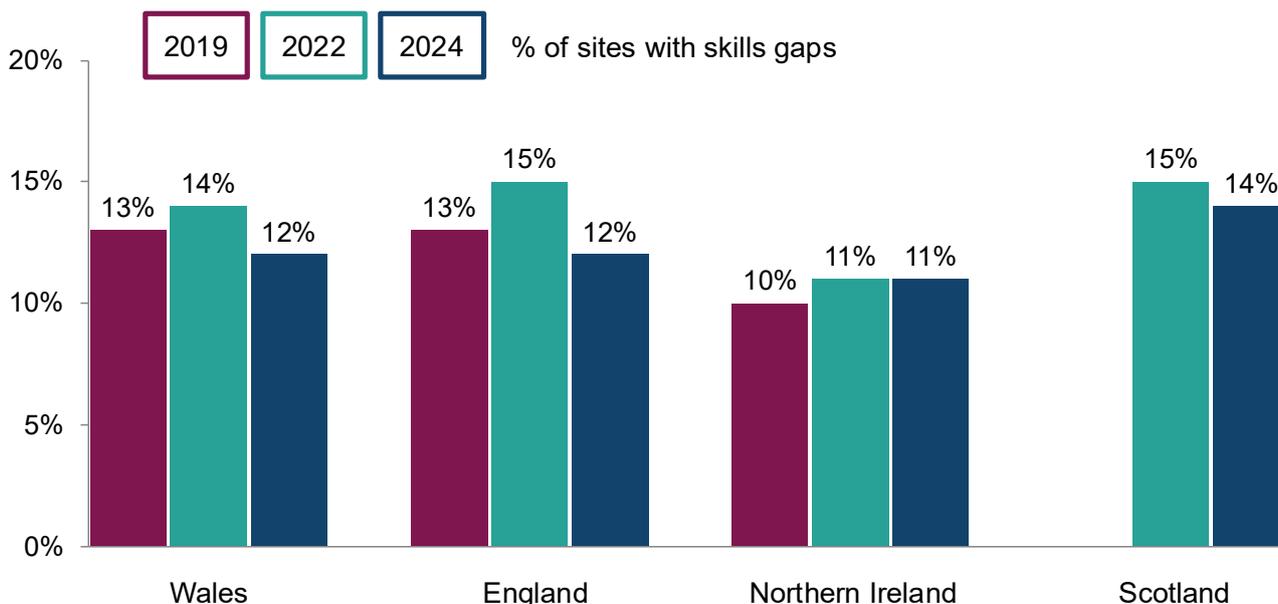
Most employers in Wales considered their staff to be fully proficient in their job roles (88%). This was consistent with England (88%) and Northern Ireland (89%) but higher than in Scotland (86%). Overall, 12% of employers in Wales said at least one member of staff was not fully proficient (i.e. had a skills gap); the general trend has been a steady decline in the incidence of skills gaps among employers since the ESS series began in 2011, with incidence now at its lowest level in Wales, as shown below in Figure 0-11 (which shows the incidence, density and volume of skills gaps over time). The latest result marks a decrease compared with the 14% figure reported in 2022.

**Figure 0-11 Incidence, density and volume of skills gaps, 2011 to 2024**



Description of Figure 4-1: Chart showing the incidence, density and volume of skills gaps over the 2011 to 2024 period. Each measure has decreased steadily since 2011. Base: All sites in Wales (2011: 6,012; 2013: 5,996; 2015: 6,027; 2017: 5,913; 2019: 6,773; 2022: 4,825; 2024: 5,605).

**Figure 0-12 Incidence of skills gaps over time by nation, 2019 to 2024**



Description of Figure 4-2: Chart showing the incidence of skills gaps by nation over the 2019 to 2024 period. In England and Wales, skills gaps incidence decreased compared with 2022. Base: All sites (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; 2024: Wales: 5,605, England: 8,639, Northern Ireland: 3,388; Scotland: 5,080). Scotland was not included in 2019.

**Table 4-1 Volume and density of skills gaps over time by nation, 2019 to 2024**

Nation	2019		2022		2024	
	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	50,900	4.0%	51,500	4.1%	50,400	3.9%
England	1,168,000	4.6%	1,516,500	5.9%	1,078,000	4.1%
Northern Ireland	26,300	3.3%	36,700	4.6%	33,400	4.0%
Scotland	n/a	n/a	118,900	4.8%	94,500	3.8%

Base: All sites (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; 2024: Wales: 5,605, England: 8,639, Northern Ireland: 3,388; Scotland: 5,080). Scotland was not included in 2019.

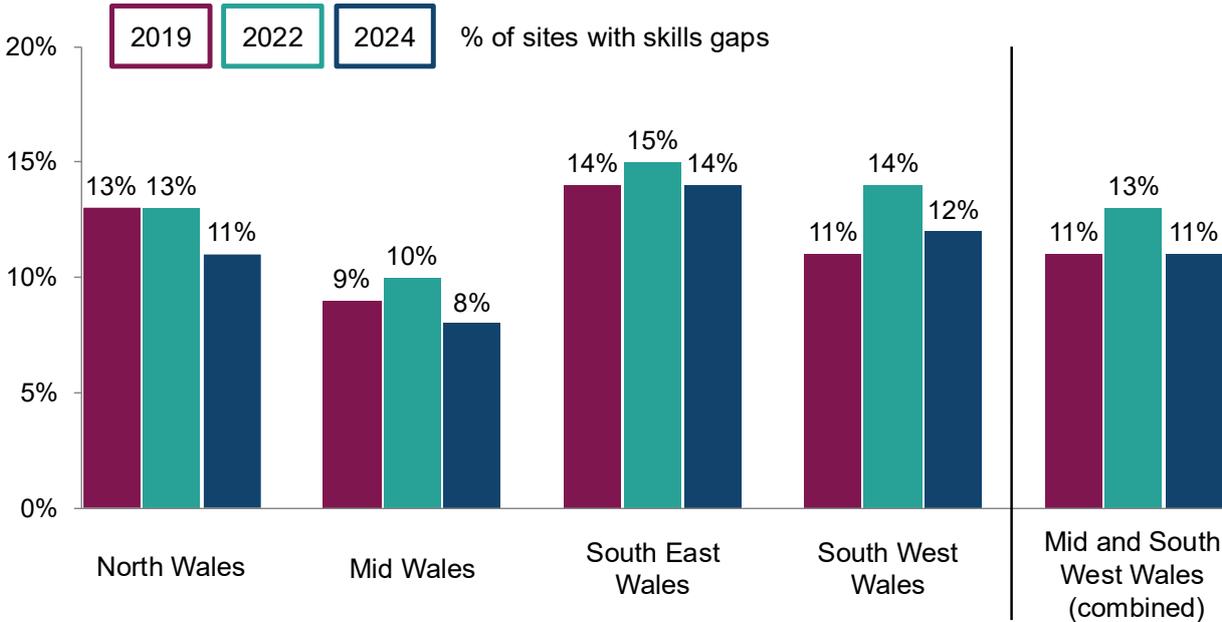
Overall, 3.9% of the workforce in Wales were considered to have skills gaps (skills gap density), similar to the level seen in both 2022 (4.1%) and 2019 (4.0%). This equated to

50,400 employees in Wales lacking full proficiency in 2024. Across the four UK nations, skills gap density was broadly consistent, ranging from 3.8% in Scotland to 4.1% in England. This marks a contrast with the situation in 2022, when Wales had the smallest proportion of staff in their workforce with skills deficiencies (4.1% vs. 4.6% in Northern Ireland, 4.8% in Scotland and 5.9% in England).

Skills gap density in Wales has remained consistent since 2019, whereas both England (4.6% in 2019, 5.9% in 2022 and 4.1% in 2024) and Northern Ireland (3.3% in 2019, 4.6% in 2022 and 4.0% in 2024) have seen fluctuations in recent years.

Skills gap incidence ranged from 8% in Mid Wales to 14% in South East Wales. Figures have remained more or less consistent since 2019 across Welsh regions, as shown in Figure 0-13 (which shows the incidence of skills gaps in Welsh regions over time). Skills gap density was notably highest in South East Wales (4.5%, compared with 3.3% to 3.4% in other Welsh regions). Mid Wales notably had the lowest incidence of skills gaps in both 2022 and 2024 when compared with the other regions.

**Figure 0-13 Incidence of skills gaps over time by Welsh region, 2019 to 2024**



Description of Figure 4-3: Chart showing the incidence of skills gaps by nation over the 2019 to 2024 period. Figures have remained more or less consistent since 2019 across Welsh regions. Base: All sites in Wales (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; 2024: North Wales: 1,350, Mid Wales: 717, South East Wales: 2,310, South West Wales: 1,228, Mid / South West: 1,945).

**Table 4-2 Volume and density of skills gaps over time by region, 2019 to 2024**

	2019		2022		2024	
Region	Volume of skills gaps	Density of skills gaps	Volume of skills gaps	Density of skills gaps	Volume of skills gaps	Density of skills gaps
North Wales	10,700	3.7%	11,800	4.1%	9,900	3.4%
Mid Wales	3,200	3.9%	3,400	4.3%	2,700	3.3%
South East Wales	28,900	4.6%	26,800	4.3%	28,900	4.5%
South West Wales	8,100	3.0%	9,500	3.5%	8,900	3.3%
Mid / South West	11,300	3.2%	12,900	3.7%	11,600	3.3%

Base: All sites in Wales (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; 2024: North Wales: 1,350, Mid Wales: 717, South East Wales: 2,310, South West Wales: 1,228, Mid / South West: 1,945).

#### **4.3.1 Skills gaps by size of site**

Skills gap incidence increased in line with site size. One in twenty (5%) of the smallest sites with 2 to 4 employees reported at least one skills gap within their workforce, compared with almost half (47%) of the largest sites with 100 or more employees. This pattern is consistent with previous years, though it should be noted that the proportion of the largest sites with 100 or more employees reporting skills gaps notably increased when compared with 2022 (47% vs. 35% in 2022).

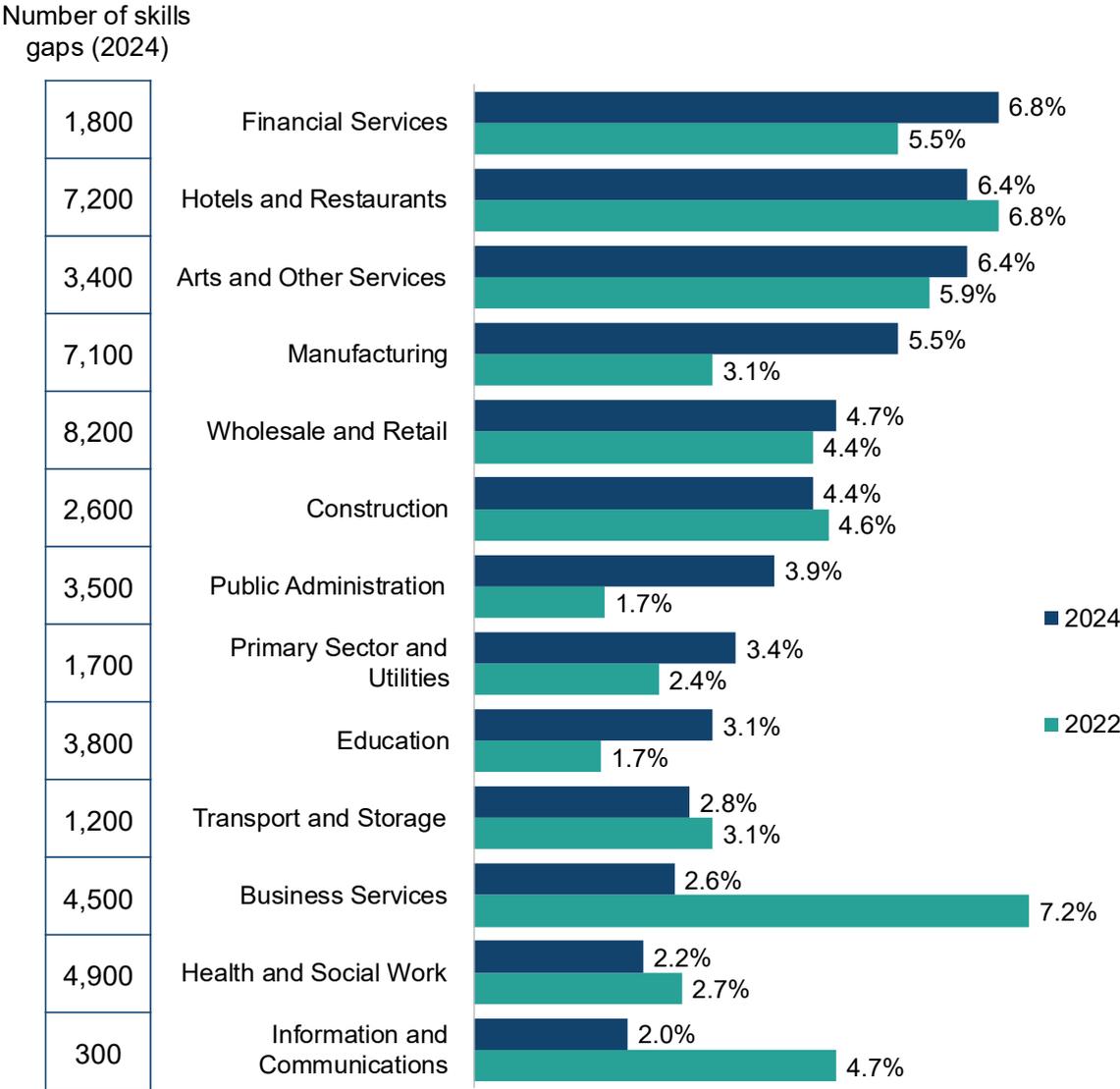
The density of skills gaps also broadly increased with site size, from 2.0% among employees at the smallest sites with 2 to 4 employees to 4.6% at the largest sites with 100 or more. This relationship was not entirely linear, however, as density was higher among employees at mid-size sites with 25 to 49 employees (4.0%) than sites with 50 to 99 employees (3.6%). Employees working at the smallest sites with 2 to 4 employees were notably less likely to be reported to have a skills gap (2.0% vs. 3.9% average).

#### **4.3.2 Sectoral distribution of skills gaps**

Skills gap density varied by sector; it was highest among Financial Services (6.8%), Hotels and Restaurants (6.4%) and Arts and Other Services (6.4%) employers, and lowest among Information and Communications (2.0%) and Health and Social Work (2.2%) employers. Generally, skills gap density at the sectoral level was similar to 2022. The most notable

change was a decrease in skills gap density among Business Services employers (from 7.2% in 2022 to 2.6% in 2024).

**Figure 0-14 Number and density of skills gaps by sector, 2022 to 2024**



Description of Figure 4-4: Chart showing the density of skills gaps by sector over the period 2022 to 2024. Generally, skills gap density at the sectoral level was similar to 2022. The most notable change was a decrease in skills gap density among Business Services employers (from 7.2% in 2022 to 2.6% in 2024). The chart also shows the volume of skills gaps in 2024, which was highest in the Wholesale and Retail sector. Base: All sites in Wales (2024 range: Financial Services 85 to Wholesale and Retail 1,116; 2022 range: Financial Services 58 to Wholesale and Retail 1,010).

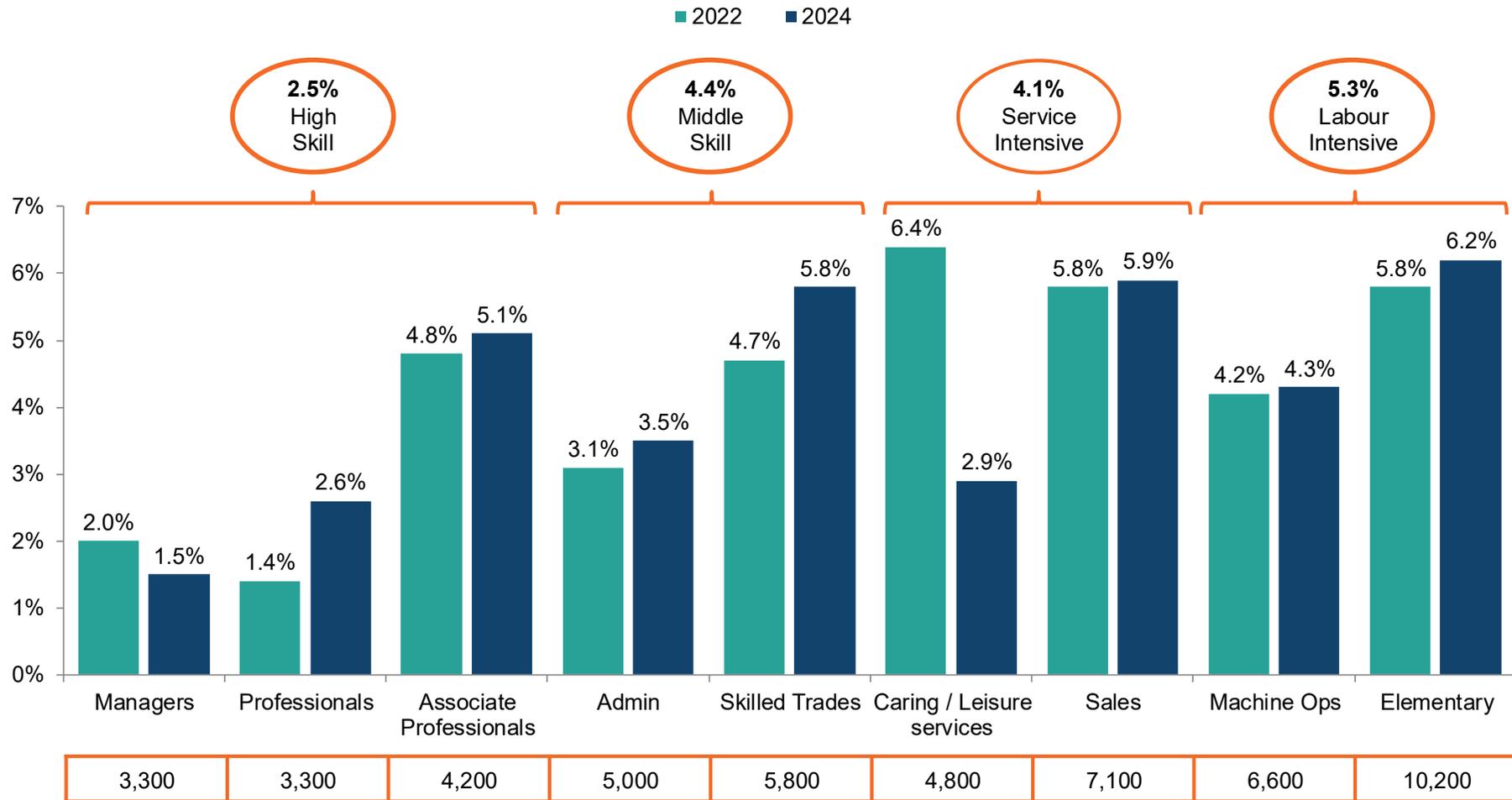
The incidence of skills gaps was highest among Manufacturing (18%) employers and lowest in the Primary Sector and Utilities sector (5%). The incidence of skills gaps among employers from different sectors was broadly consistent compared with 2022, although there were notable decreases in the Public Administration (11% vs. 25% in 2022), Arts and Other Services (10% vs. 15%) and Health and Social Work (15% vs. 19%) sectors.

The highest number of skills gaps in 2024 was found in the Wholesale and Retail sector (8,200), followed by Hotels and Restaurants employers (7,200). Employers in the Information and Communications sector had the lowest number of skills gaps (300).

### **4.3.3 Occupational distribution of skills gaps**

At an occupational level, skills gap density was highest among staff in labour-intensive roles (5.3%), most notably those in Elementary occupations (6.2% lacked full proficiency). Elementary also had the highest volume of skills gaps (10,200 in total). In 2022, service-intensive roles (6.1%), including staff in Caring, Leisure and Other Services (6.4%) and Sales and Customer Services occupations (5.8%) had the highest density of skills gaps. The density of skills gaps among Caring, Leisure and Other Services roles in 2024 notably declined compared with 2022 (2.9% vs. 6.4% in 2022).

**Figure 0-15 Number and density of skills gaps by occupational group, 2022 to 2024**



Description of Figure 4-5: Chart showing the density of skills gaps by occupation over the period 2022 to 2024. In 2024, skills gap density was highest among staff in labour-intensive roles (5.3%), most notably those in Elementary occupations (6.2% lacked full

proficiency). In 2022, service-intensive roles (6.1%), including staff in Caring, Leisure and Other Services (6.4%) and Sales and Customer Services occupations (5.8%) had the highest density. Base: All sites in Wales (2022 range: Associate professionals 639 to Managers 4,597; 2024 range: Associate professionals 763 to Managers 5,382).

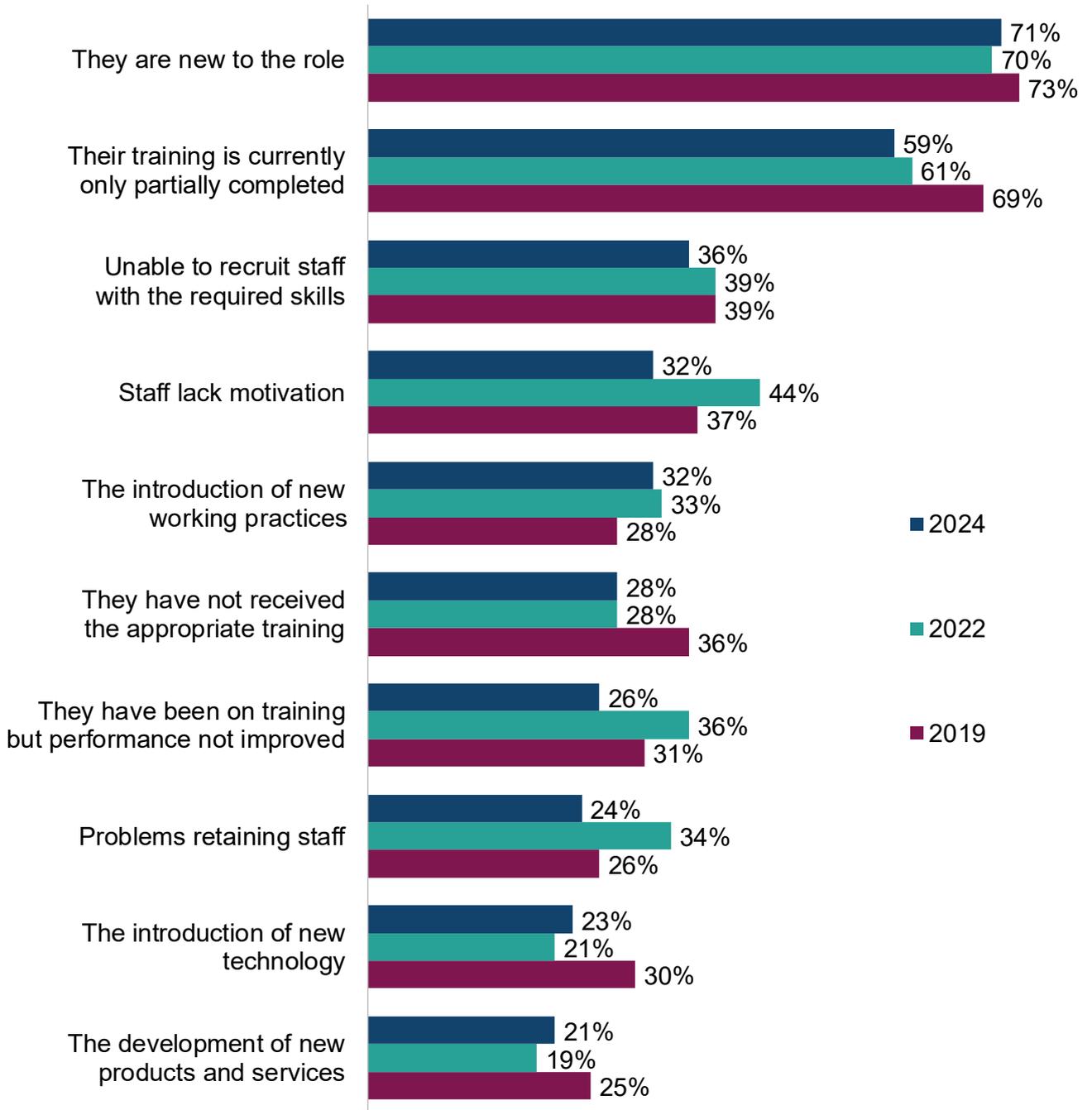
Skills gap density was lowest among those in high skill positions, including Managers (1.5%) and Professionals (2.6%). Those in Associate Professional roles were more likely than their highly skilled peers to have skills gaps (5.1%).

#### **4.4 Causes of skills gaps**

The most common causes of skills gaps among the workforce in Wales were staff being new to the role (a contributing factor in 71% of skills gaps), training only being partially completed (59%), being unable to recruit staff with the required skills (36%), staff lacking motivation (32%) and the introduction of new products and services (32%). A similar ranking was found for staff with skills gaps in England, Northern Ireland and Scotland.

Causes of skills gaps related to being new to the role or training only being partially completed together contributed to 81% of skills gaps, the same proportion as in 2022. These two causes can be described as transient skills gaps, which might resolve themselves over time. One in five (20%) skills gaps could be attributed entirely to transient factors. This was a higher proportion than in 2022 (17%, though not a statistically significant change). Around 4 in 10 (43%) 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 similar proportion to 2022 (44%).

**Figure 0-16 Main causes of skills gaps (prompted), 2019 to 2024**



Description of Figure 4-6: Chart showing the most commonly cited causes of skills gaps over the period 2019 to 2024. In each year, employees being new to their role was the most commonly cited cause. Base: All sites with skills gaps in Wales (2024: 955; 2022: 925; 2019: 1,209).

Some causes of skills gaps decreased in prevalence compared with previous years, including staff lacking motivation (32% vs. 44% in 2022); staff having been on training but not sufficiently improving (26% vs. 36%); and problems retaining staff (24% vs. 34%).

## 4.5 Skills lacking internally

Employers with skills gaps were read a list of skills and asked, for each occupation in which they reported skills gaps<sup>[footnote 10]</sup>, which skills were lacking. Those skills lacking among candidates have been grouped into technical and practical skills and people and personal skills.

### 4.5.1 Technical and practical skills

Overall, 85% of skills gaps were caused, at least in part, by a lack of technical or practical skills that were lacking full proficiency, representing a decrease from 89% in 2022.

The most common technical or practical skill that was lacking among staff with skills gaps, as in 2022, was specialist skills or knowledge needed to do the job (contributing to 49% of all skills gaps). This was followed by the ability to solve complex problems (37%) and having knowledge of a site's products and services (35%).

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 45% of skills gaps), followed by a lack of 'Complex analytical skills' (42%). A lack of 'Digital skills' (31%) and 'Basic skills' (29%) both contributed to around 3 in 10 skills gaps.

Employees with skills gaps in Wales were less likely than those in other nations to lack Basic skills (29% compared with 37% in England, 37% in Northern Ireland and 32% in Scotland). This was due to these employees in Wales being less likely to lack both computer literacy and basic IT skills (20% vs. 24% across the UK as a whole) and basic numerical skills (16% vs. 21%). Employees in Wales with skills gaps were also less likely than those in other nations to lack complex analytical skills (42% compared with 48% in England, 47% in Northern Ireland and 44% in Scotland). This was driven in part by fewer Welsh skills gaps being a consequence of lacking complex problem-solving skills (37% vs. 41% across the UK as a whole).

Figure 0-17 shows different technical and practical skills that were lacking among staff with skills gaps for both 2024 and 2022. There were no technical or practical skills lacking that had grown in prevalence in 2024 compared with 2022. Skills deficiencies in computer literacy and basic IT skills were less prevalent in 2024 (20% in 2024 vs. 31% in 2022), as were:

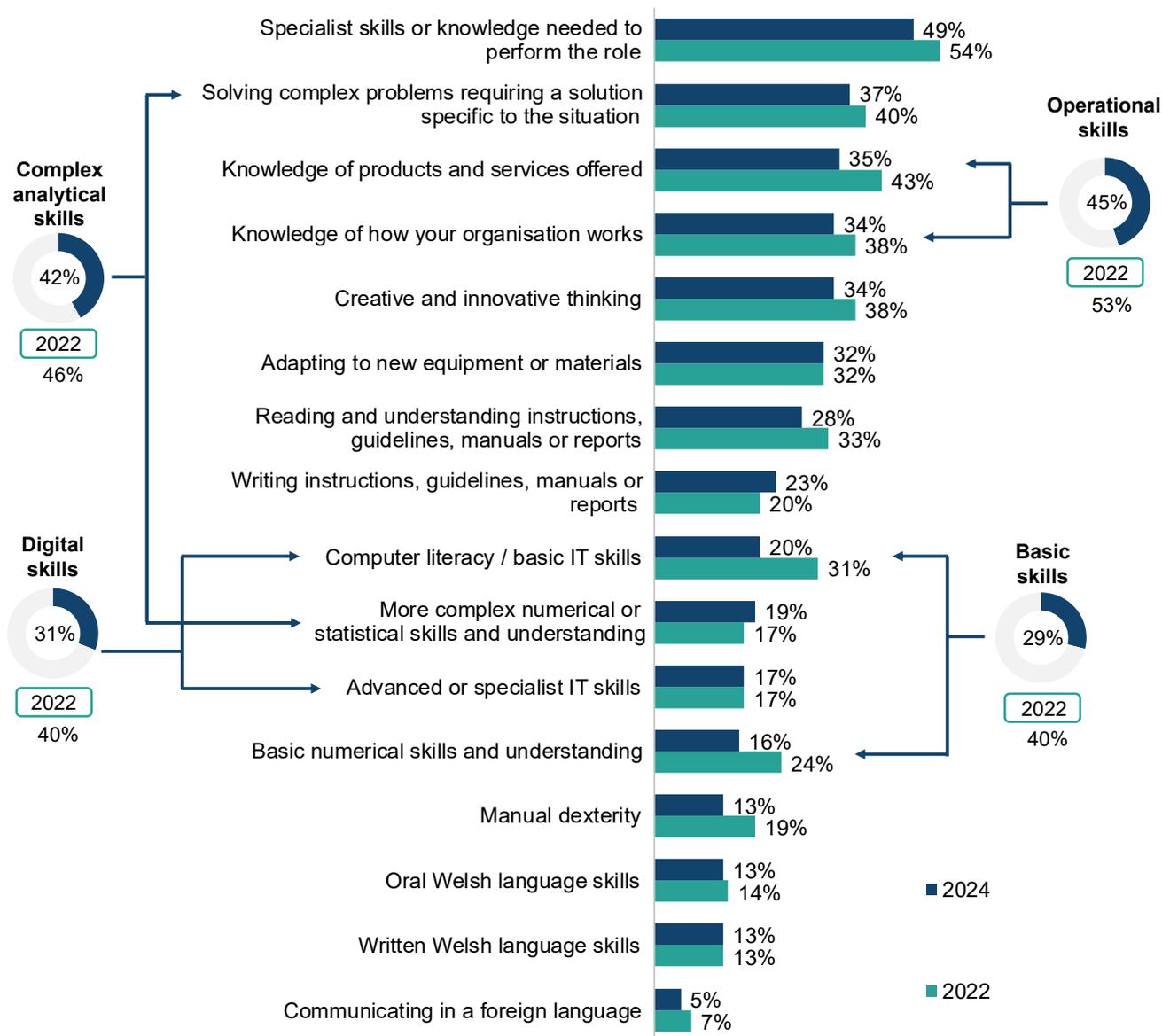
- knowledge of a site's products and services (35% vs. 43%)
- basic numerical skills and understanding (16% vs. 24%)
- manual dexterity (13% vs. 19%)
- specialist skills or knowledge (49% vs. 54%)

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<sup>[10]</sup> Up to a maximum of two occupations chosen at random.

- reading and understanding instructions, guidelines, manuals or reports (28% vs. 33%)

**Figure 0-17 Technical and practical skills lacking in employees at Welsh employers reporting skills gaps (prompted), 2022 to 2024**



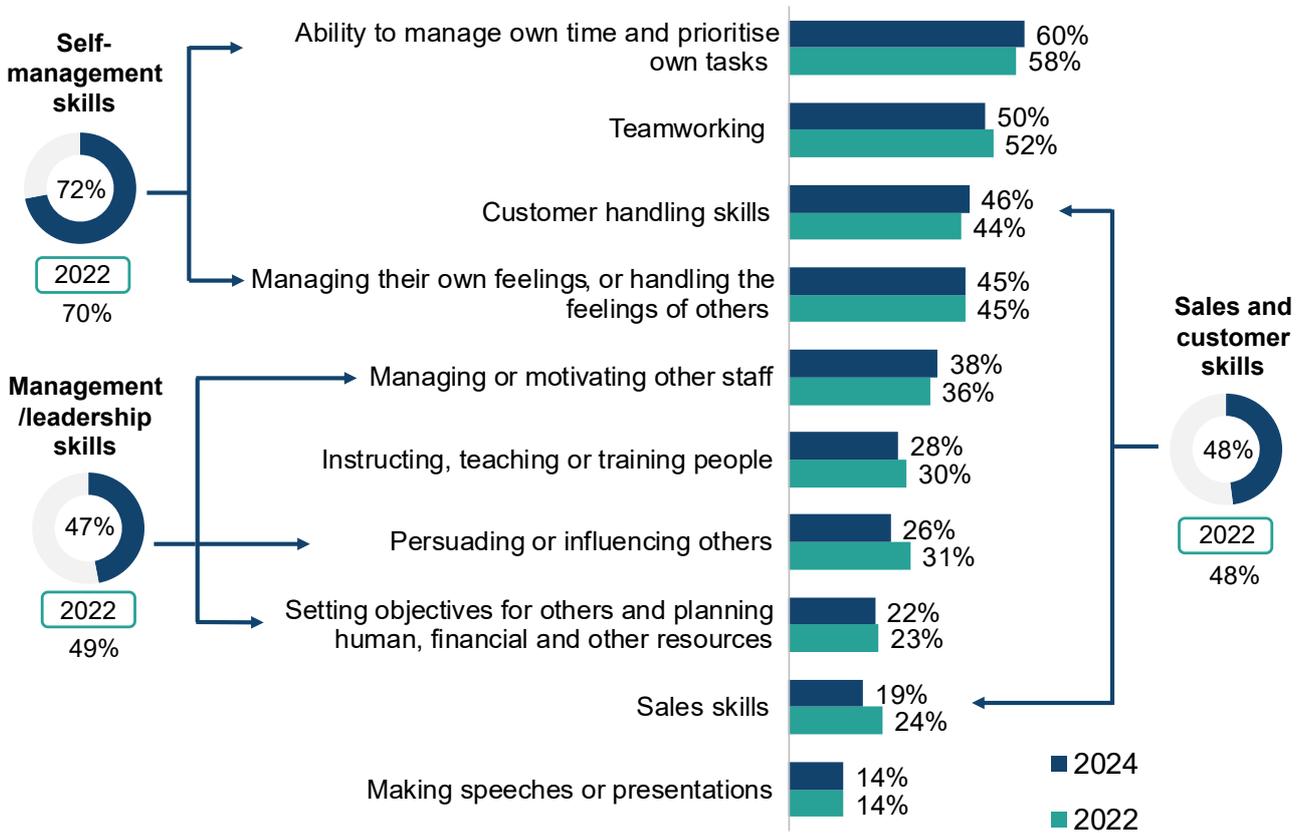
Description of Figure 4-7: Chart showing specific technical and practical skills lacking among employees over the period 2022 to 2024. In both years, specialist skills or knowledge needed to perform the job role were most commonly lacking. Base: All sites with skills gaps in Wales (2024: 955; 2022: 925).

#### 4.5.2 People and personal skills

Close to 9 in 10 (87%) of skills gaps were due, at least in part, to a lack of people and personal skills, an increase compared with 2022 (83%). The most common people or personal skills lacking among employees with skills gaps were time management and task prioritisation (contributing to 60% of skills gaps), followed by teamworking abilities (50%); customer handling skills (46%); and staff ability to manage their own feelings and those of

others (45%). When grouping these people and personal skills into broad skills areas, the most common skills deficiencies related to self-management skills (72%). Just under half (48%) lacked sales and customer service skills, while a similar proportion (47%) lacked management and leadership skills.

**Figure 0-18 People and personal skills lacking in employees at Welsh employers reporting skills gaps (prompted), 2022 to 2024**



Description of Figure 4-8: Chart showing specific people and personal skills lacking among employees over the period 2022 to 2024. In both years, time management and task prioritisation skills were most commonly lacking. Base: All sites with skills gaps in Wales (2024: 955; 2022: 925).

Considering other nations, time management and task prioritisation, as in Wales, was also the most common people and personal skill lacking in England (57% of skills gaps), Northern Ireland (61%) and Scotland (63%). Employees in Wales were more likely than their counterparts in each of the other nations to lack self-management skills (72% vs. 68% in England, 69% in Northern Ireland and 70% in Scotland). Conversely, employees in Wales were least likely to be lacking management and leadership skills (47% vs. 49% in England, 51% in Northern Ireland and 50% in Scotland).

Compared with 2022, there were decreases in the proportion of employees with skills gaps due to lacking skills in persuading or influencing others (26% vs. 31% in 2022) and a lack of sales skills (19% vs. 24%).

### **4.5.3 Skills gaps relating to sustainability or desire to be carbon neutral**

Around 1 in 8 (12%) employers stated that the skills needing improvement at their site related to wanting to be more sustainable or carbon neutral, a decrease compared with 2022 (16%), when this question was introduced to the ESS series. The proportion was higher among sites that had a Net Zero strategy in place (21%).

Employers with 100 or more staff (20%) were twice as likely as those with fewer than 25 staff (10%) to cite that skills lacking related to wanting to be more sustainable or carbon neutral.

Looking at broad site types, public sector employers were more likely than those in the private sector to link skills gaps to their ambition to become more sustainable or carbon neutral (19% vs. 11%). At the sectoral level, employers in the Wholesale and Retail sector were less likely than average to report this (7%).

### **4.6 Impact of skills gaps**

Around 6 in 10 (62%) employers in Wales with skills gaps reported that these skills gaps had a direct impact on how the site performs, lower than the proportion in 2022 (68%). Around 1 in 8 (12%) said that they had a major impact (down from 16% in 2022), while half (50%) reported a minor impact.

As in previous years, the most common impact was an increase in workload for the other staff (50%), though a smaller proportion cited this impact compared with 2022 (56%). Around 3 in 10 (28%) reported higher operating costs (consistent with 2022 at 29%), while difficulties meeting quality standards (24%) and introducing new working practices (23%) were both mentioned by around one quarter (both consistent with 2022 when these figures both stood at 26%).

**Figure 0-19 Impacts of skills gaps (prompted), 2022 to 2024**



Description of Figure 4-9: Chart showing the impact of skills gaps on sites over the period 2022 to 2024. In both years, the most common impact of SSVs were increased workloads for existing staff. Base: All sites with skills gaps in Wales (2024: 955; 2022: 925).

There were few notable differences by site size in terms of perceived impact, although sites with 50 to 99 employees were more likely to say skills gaps had any impact on their performance (73% vs. 62% on average).

At the sectoral level, employers in the Hotels and Restaurants sector with skills gaps were more likely to have seen any impact on performance (71% vs. 62%), while more broadly, the charity and voluntary sector were most likely to have seen their performance affected by skills gaps (74%).

#### **4.6.1 Steps taken to address skills gaps**

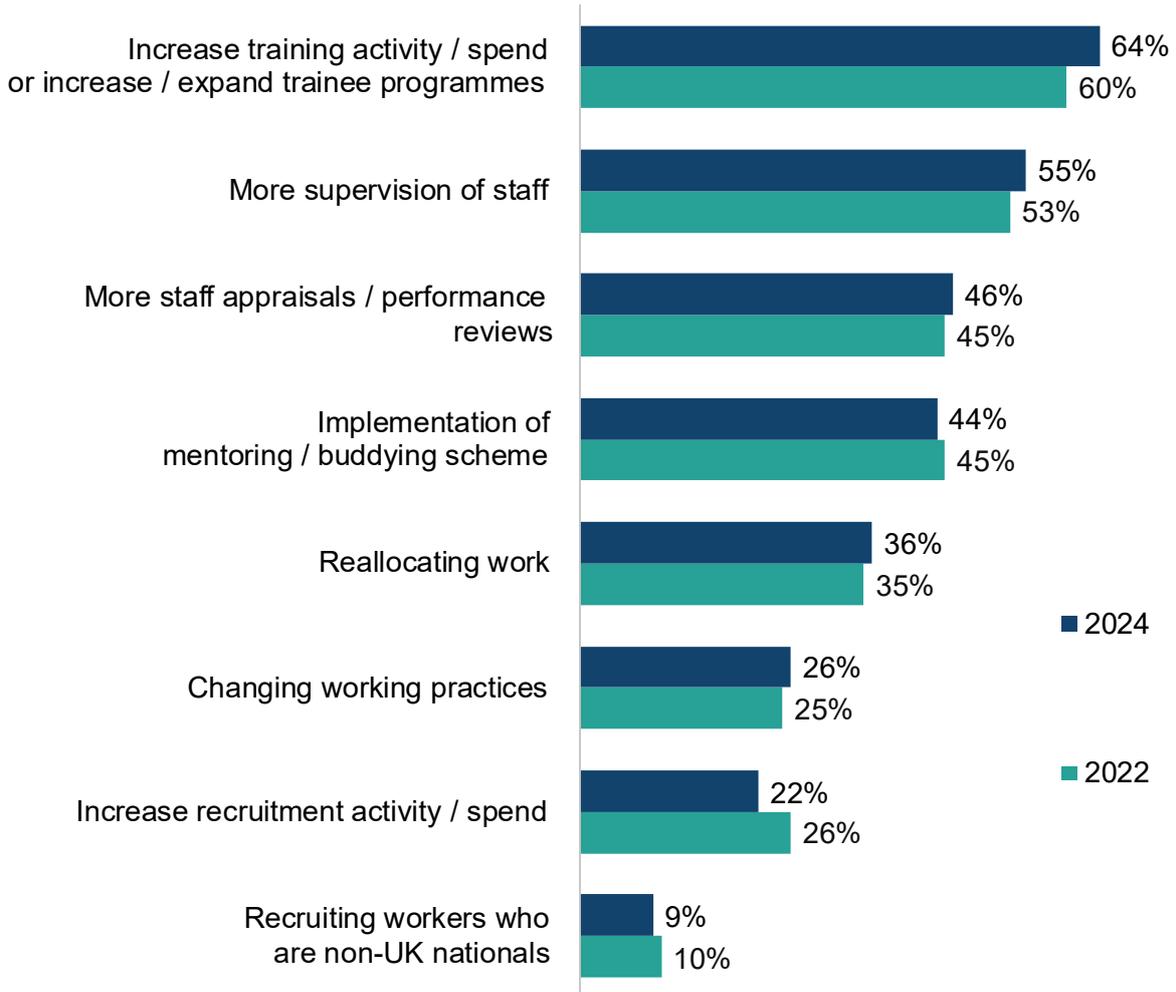
Most employers in Wales with skills gaps (89%) had taken, or had plans to take, steps to address skills gaps. This was similar to the proportion in 2022 (88%) and 2019 (90%). The proportion either taking or planning to take action in Wales was in line with both England (89%) and Scotland (91%), while employers in Northern Ireland were less likely than their counterparts to report this (85%).

The smallest sites with 2 to 4 employees were least likely to have taken, or be planning to take, action to address skills gaps; around 8 in 10 (79%) had done so compared with upwards of 9 in 10 employers in all other sizebands (including almost all (97%) of those with 100 or more employees). By sector, addressing skills gaps (or planning to) was more

common among Health and Social Work (97%) employers and less common than average among Construction (81%) and Hotels and Restaurants (84%) employers.

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 (64%), followed by increasing supervision of staff (55%), introducing more staff appraisals or performance reviews (46%), and implementing a mentoring or buddy scheme (44%). As shown in Figure 0-20 below, the most common steps taken to overcome skills gaps were consistent with 2022.

**Figure 0-20 Steps taken to overcome skills gaps (prompted), 2022 to 2024**



Description of Figure 4-10: Chart showing the steps sites have taken to overcome skills gaps, over the period 2022 to 2024. In both years, the most common step taken was to increase training activity, spend or expand trainee programmes. Base: All sites with skills gaps in Wales (2024: 955; 2022: 925).

Larger employers were generally more likely to cite each specific action to address skills gaps, including, in particular, increasing training activity (86% of sites with 100 or more employees vs. 55% with 2 to 4 employees); introducing more staff appraisals or performance reviews (67% vs. 31%); implementing mentoring or buddying schemes (64% vs. 36%) and increasing recruitment activity (44% vs. 11%).

At the sectoral level, Health and Social Work (77%) were more likely than average to have increased training activity or spend, whereas Construction (50%), Wholesale and Retail (55%) and Hotels and Restaurants (56%) employers were less likely than average to have done so.

There were few differences among the regions. However, employers in South East Wales were most likely to have increased the number of staff appraisals or performance reviews (50% vs. 46% average), implemented buddy or mentoring schemes (49% vs. 44%) and increased recruitment activity or spend (26% vs. 22%).

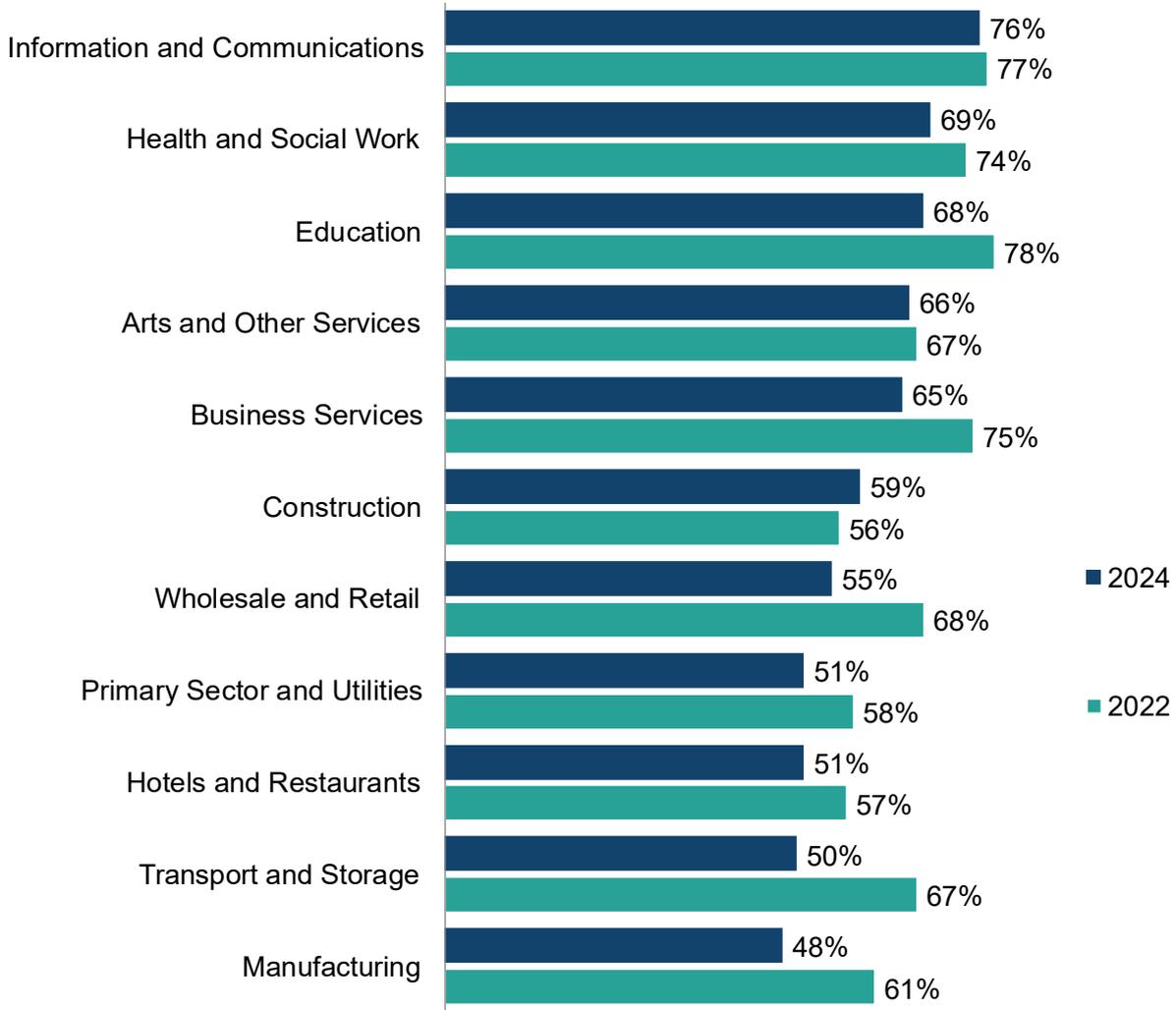
#### **4.7 Future skills needs**

Around 6 in 10 (59%) sites in Wales expected they would need to upskill their workforce in the next 12 months, a notably lower proportion compared with 2022 (67%) and 2019 (68%). The proportion of employers with upskilling needs in Wales was similar to that seen in England (59%) and Scotland (61%) but higher than Northern Ireland (55%).

As shown in

Figure 0-21 (which shows the prevalence of upskilling need by sector over time), among different sectors of the Welsh economy, upskilling needs were most common among Information and Communications (76%), Health and Social Work (69%) and Education (68%) employers and lowest among Manufacturing (48%) and Hotels and Restaurants (51%) employers. Please note that the base size for Information and Communications employers asked about upskilling needs was 33 and so this finding should be treated with caution.

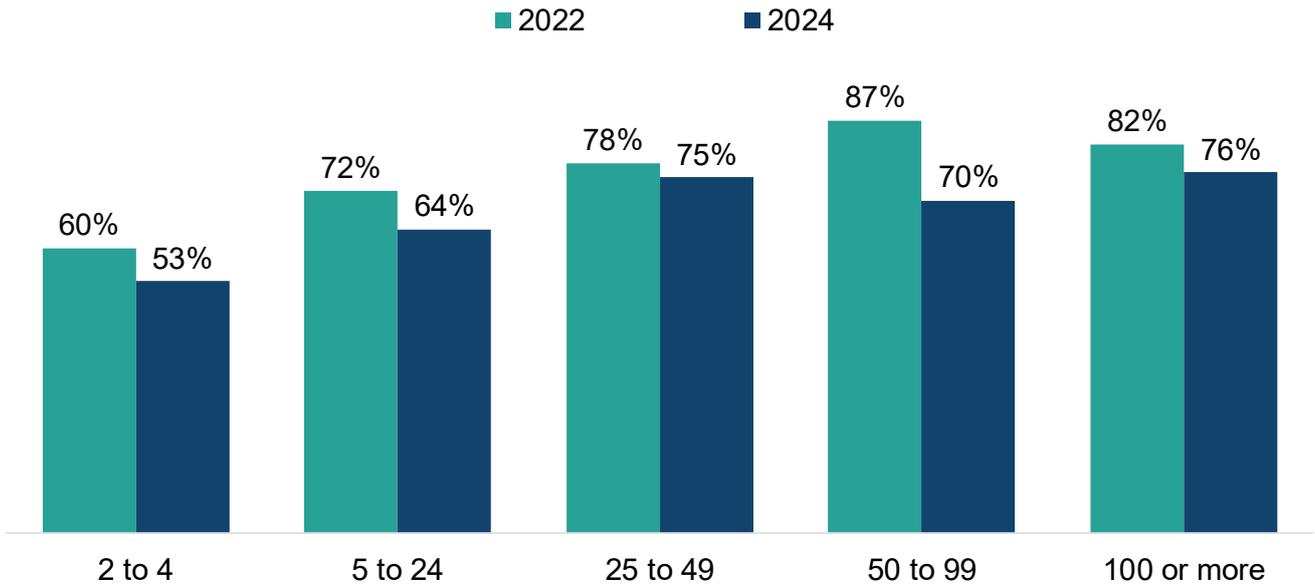
**Figure 0-21 Prevalence of upskilling need by sector, 2022 to 2024**



Description of Figure 4-11: Chart showing the prevalence of skilling need by sector over the period 2022 to 2024. In 2022, the Education sector had the highest proportion of employers saying they had an upskilling need whereas in 2024 it was the Information and Communications sector. Base: 2024 range (All sites in Wales (Module A)): Information and Communications 33 to Wholesale and Retail 269; 2022 range (All sites in Wales (Module B and Module D)): Information and Communications 41 to Wholesale and Retail 493). Financial Services and Public Administration not shown due to low base sizes in 2024.

As in 2022, there was a link between site size and anticipated need to upskill in the next 12 months. The need for upskilling was greatest among larger employers with 100 or more employees (76%) and lowest among the smallest employers with 2 to 4 employees (53%).

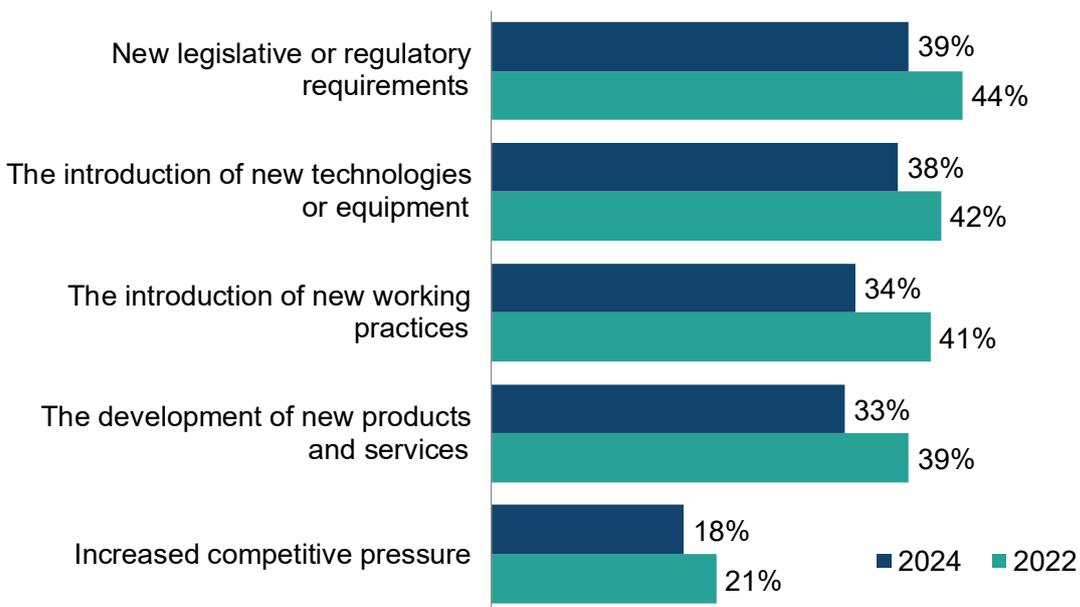
**Figure 0-22 Prevalence of upskilling need by organisation size, 2022 to 2024**



Description of Figure 4-12: Chart showing the prevalence of upskilling need by site size over the period 2022 to 2024. In both years, the prevalence of upskilling need broadly increased alongside site size. Base: 2024 (All sites in Wales (Module A)): 2 to 4: 364, 5 to 24: 705, 25 to 49: 188, 50 to 99: 76, 100 or more: 46; 2022 (All sites in Wales (Module B and Module D)): 2 to 4: 706, 5 to 24: 1,151, 25 to 49: 321, 50 to 99: 129, 100 or more: 102).

The main reasons given for needing to upskill were the introduction of new legislative or regulatory requirements (39%), new technologies or equipment (38%), new working practices (34%), and the development of new products and services (33%). Each of these reasons was cited by a lower proportion of employers than in 2022, as shown in Figure 0-23 below (which outlines the reasons given for needing to upskill over time).

**Figure 0-23 Reasons given for needing to upskill workforce (prompted), 2022 to 2024**



Description of Figure 4-13: Chart showing the reasons employers had given for needing to upskill their staff over the period 2022 to 2024. In both years, the most common reason was the introduction of new legislative or regulatory requirements. Base: 2024 (All sites in Wales (Module A)): 1,379; 2022 (All sites in Wales (Module B and Module D)): 2,409.

Employers in Wales were as likely to cite each of the top four reasons given as employers in England and Scotland. They were, however, more likely than those in Northern Ireland to cite each of these reasons, with the exception of the introduction of new technologies or equipment. The largest difference when comparing with employers in Northern Ireland was in the proportion expecting to upskill due to new legislative or regulatory requirements (39% in Wales vs. 32% in Northern Ireland).

Looking at regions within Wales, there were few differences of note, although employers in Mid Wales were less likely than average to cite the introduction of new working practices as a reason for needing to upskill (24% vs. 34%). Employers in South East Wales were more likely than average to cite the development of new products and services as a reason for needing to upskill (36% vs. 33%).

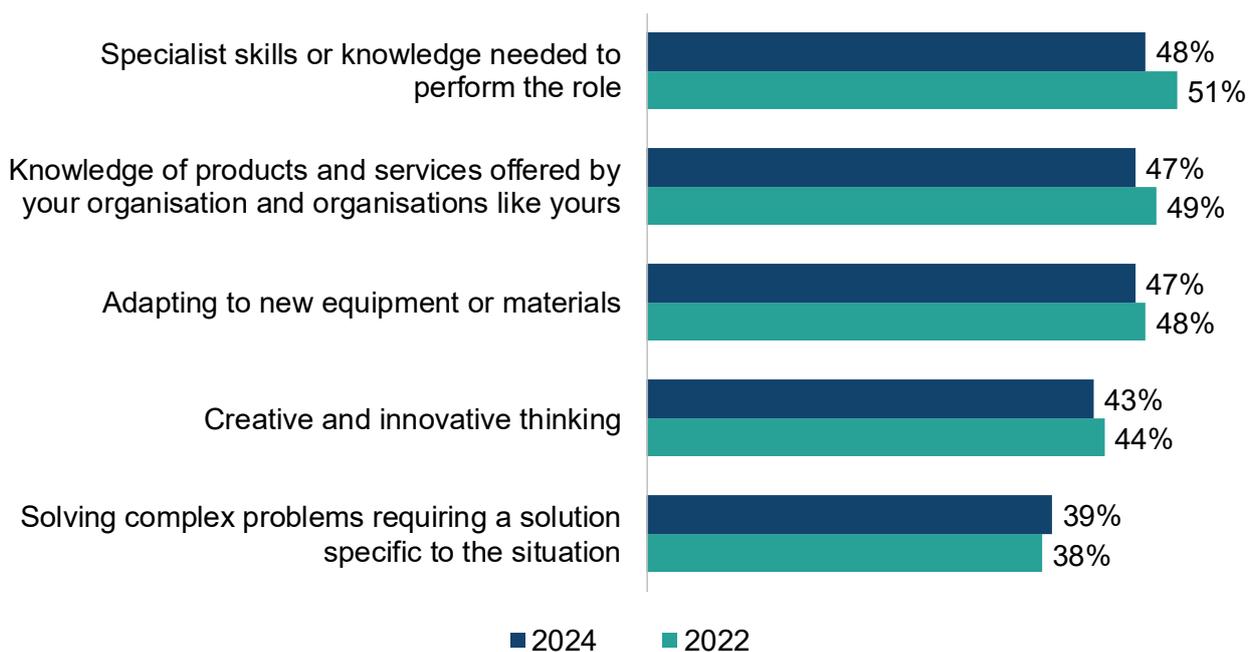
#### **4.7.1 Skills that need improving**

Employers in Wales were more likely to report technical and practical that needed improving in the next 12 months 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 (48%). The most common people and personal skill mentioned was the ability to manage one's own time and task prioritisation (40%).

After specialist skills and knowledge, the most common technical and practical skills that needed improving were individuals' knowledge of products and services (47%), adapting to new equipment or materials (47%), creative and innovative thinking (43%), and solving complex problems (39%). The proportions citing the technical and practical skills were consistent with 2022, which is shown in

Figure 0-24.

**Figure 0-24 Top five technical and practical skills which need to be developed, 2022 to 2024**

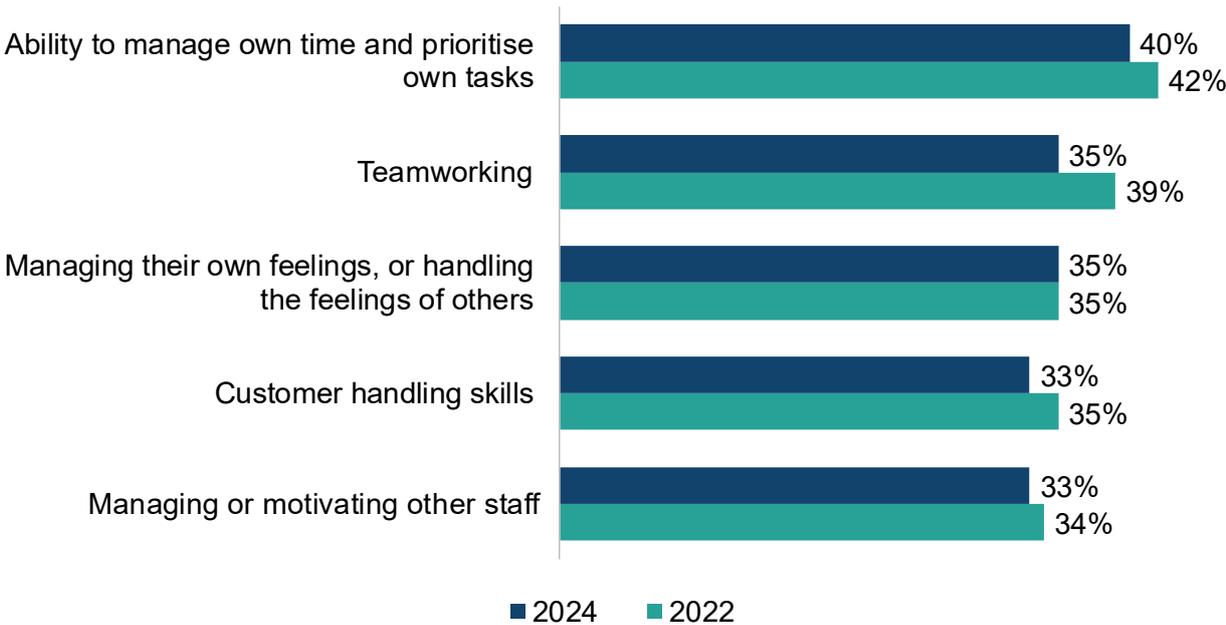


Description of Figure 4-14: Chart showing the top 5 technical and practical skills which employers said need to be developed among their workforce, over the period 2022 to 2024. In both years, specialist skills and knowledge needed to perform the job role was the most commonly cited skill. Base: All sites anticipating a need for new skills in Wales. 2024 (Module A): 786; 2022 (Module B and D): 1,520.

After time management, the most common people and personal skills that needed improving were teamworking (35%), managing their own feelings, or the feelings of others (35%), customer handling skills (33%), and managing or motivating other staff (33%). The proportion citing teamworking skills had decreased from 2022 levels (39%), as shown in

Figure 0-25 (which looks at the top people and personal skills which needed to be developed in 2022 and 2024).

**Figure 0-25 Top five people and personal skills which need to be developed, 2022 to 2024**



Description of Figure 4-15: Chart showing the top 5 people and personal skills which employers said need to be developed among their workforce, over the period 2022 to 2024. In both years, time management and task prioritisation was the most commonly cited skill which needed to be developed. Base: All sites anticipating a need for new skills in Wales. 2024 (Module A): 786; 2022 (Module B and D): 1,520.

**4.8 Under-use of skills**

One third (33%) of sites had staff with qualifications and skills that were more advanced than required for their job role, a lower proportion than in 2022 (38%) but in line with the proportion seen in 2019. Overall, 126,100 workers (9.8% of the workforce) were said to be under-utilising their skills and qualifications in their job role, a similar proportion compared with 2022 (8.8%). The proportion in 2024 (9.8%) was higher than in the other UK nations (7.0% in England, 6.8% in Northern Ireland and 7.1% in Scotland). This therefore affected more than twice the proportion of the workforce in Wales than skills gaps did (3.9%).

There were no differences between the UK nations in terms of the proportion of employers reporting they had underutilised staff. Wales, however, saw the largest percentage-point decrease since 2022 (33%, down from 38%) when compared with England (31%, down from 35%), Scotland (33%, down from 37%) and Northern Ireland (33%, down from 37%).

**Figure 0-26 The proportion of sites with underutilised staff, by nation<sup>[footnote 11]</sup>**



Description of Figure 4-16: Chart showing the proportion of employers with underutilised staff over the 2019 to 2024 period. In each nation, 2024 marked the lowest point in the ESS series for sites reporting skills under-use. Base: All sites (2019: Wales (Modules B and D): 3,378; England (Modules B and D): 26,707, Northern Ireland (Modules B and D): 2,003; 2022: Wales (Modules B and D): 2,409; England (Module B): 10,038, Northern Ireland (Modules B and D): 1,631, Scotland (Modules B and D): 2,547); 2024: Wales (Module A): 1,379; England (Module A): 2,204, Northern Ireland (Modules A and B): 1,702, Scotland (Modules A and B): 2,614. Scotland was not included in 2019.

By sector, sites in the Arts and Other Services (44%) and Health and Social Work (41%) sectors were most likely to have underutilised staff, while this was least common in the Business Services (24%) and Wholesale and Retail (27%) sectors.

The proportion of sites with underutilised staff remained relatively stable across the Welsh regions in 2024 compared with 2022. There was a notable decrease, however, in South East Wales, which saw a 6 percentage-point decrease from 37% in 2022 to 31% in 2024. South West Wales had the lowest proportion of underutilised staff (6.0%) in 2024 and was the only region to be significantly different to the Wales average (9.8%).

<sup>[11]</sup> 2019 data not available for Scotland

**Figure 0-27 The proportion of sites with underutilised staff, by Welsh region**



Description of Figure 4-17: Chart showing the proportion of employers with underutilised staff in each region over the 2019 to 2024 period. In each region, the proportion of sites with underutilised staff in 2024 was lower than 2022. Base: All sites in Wales (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; 2024 (Module A): North Wales: 324, Mid Wales: 181, South East Wales: 568, South West Wales: 306, Mid and South West Wales: 487).

## 4.9 Nurturing the skills pipeline – work placements

### 4.9.1 Type of work placements

One third (33%) of employers in Wales had provided some form of work placement in the last 12 months, consistent with the proportion across the UK overall (33%). The 33% figure for Wales is higher than the corresponding proportion in 2022 (28%), closer to 2019 levels. As shown in Table 4-3, each UK nation saw an increase in the proportion of employers providing work placements, though the increase was greatest in Wales (33% in 2024 vs. 28% in 2022; compared with 33% vs. 30% in England, 30% vs. 26% in Northern Ireland, and 32% vs. 29% in Scotland). Both Wales and England saw a return to 2019 levels.

**Table 4-3 Grouped work placement type provided in the last 12 months, by nation**

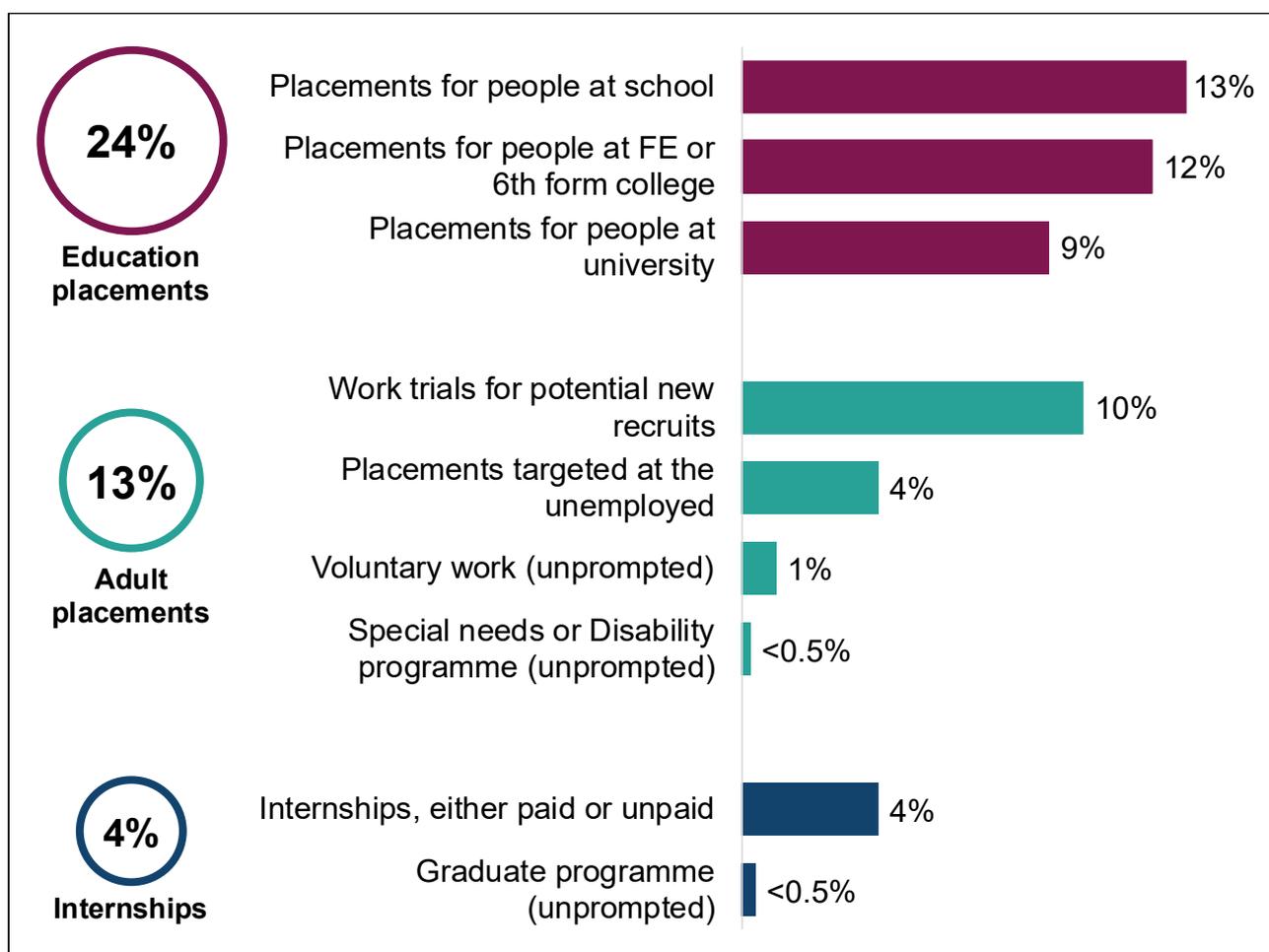
Nation	Wales	Wales	Wales	England	England	England	Northern Ireland	Northern Ireland	Northern Ireland	Scotland	Scotland	Scotland
	2019	2022	2024	2019	2022	2024	2019	2022	2024	2019	2022	2024
<b>Any work placement</b>	<b>36%</b>	<b>28%</b>	<b>33%</b>	<b>35%</b>	<b>30%</b>	<b>33%</b>	<b>36%</b>	<b>26%</b>	<b>30%</b>	<b>36%</b>	<b>29%</b>	<b>32%</b>
Education placements	27%	18%	24%	27%	22%	27%	32%	21%	28%	28%	19%	25%
Adult placements	15%	13%	13%	12%	13%	10%	10%	8%	6%	12%	13%	12%
Internships	5%	3%	4%	6%	5%	4%	6%	4%	5%	5%	5%	4%

Base: All sites in Module B (2024: 5,675; 2022: 13,269 2019: 18,711). Scotland 2019 data is from the Employer Perspectives Survey (EPS)

When examining the type of work placements offered:

- Work placements were most commonly offered to people in education (24%); 13% offered placements to people at school, 12% offered them to people at college, while 9% offered them to people at university. The proportion of employers offering education placements increased when compared with 2022 (24% vs. 18%).
- Smaller proportions of employers offered work placements to adults (13%), including 10% that offered work trials for new recruits. The proportion offering adult placements was consistent with 2022 (13%).
- A minority offered internships (4%); this was consistent with 2022 (3%).

**Figure 0-28 Type of work placements provided in the last 12 months (prompted)**



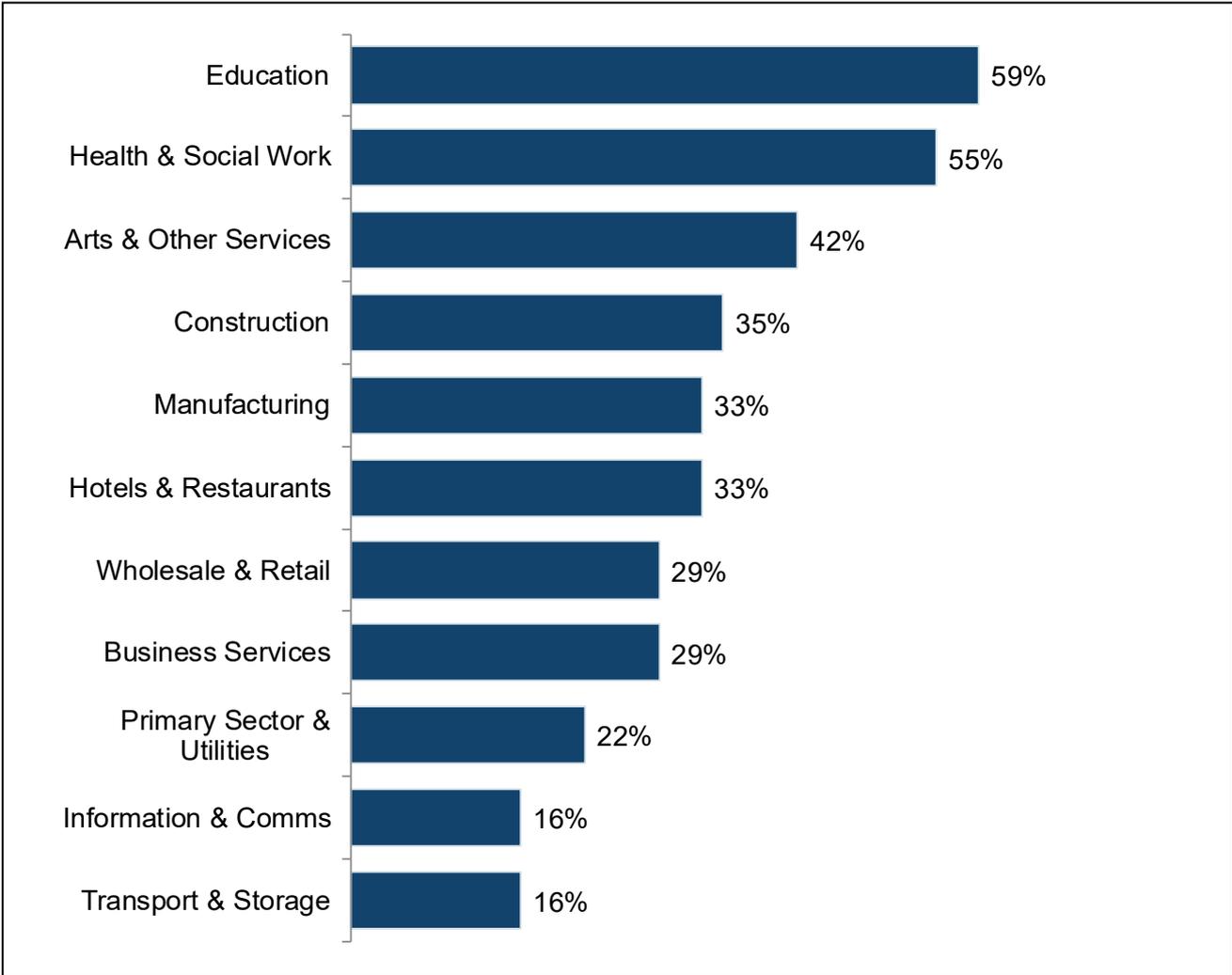
Description of Figure 4-18: Chart showing the types of work placements provided by employers in the last 12 months. The most common type of placements offered were education placements, such as placements for people at school, followed by adult placements. Base: All sites in Wales (2024 (Module B): 1,446).

By region, employers in North Wales were most likely to have offered education placements (29% vs. 24% across Wales overall), with this being driven in part by a higher likelihood of having offered placements for people at college (16% in North Wales vs. 12% overall). Employers in Mid Wales were least likely to offer placements to people at college (8%). Employers in South East Wales were most likely to offer both placements for people at

university (11% vs. 9% overall) and placements specifically targeted at unemployed people (5% vs. 4% overall).

When looking at different business sectors, Education, Health and Social Work, and Arts and Other Services employers were most likely to have offered any type of placement (59%, 55% and 42% respectively, compared with 33% overall). Conversely, Transport and Storage (16%), Information and Communications (16%) and Primary Sector Utilities (22%) employers were least likely to have done so. <sup>[footnote 12]</sup>

**Figure 0-29 Whether sites offered any type of work placement, by sector**



Description of Figure 4-19: Chart showing proportion of sites offering any form of work placement by sector. The chart shows that Education employers were most likely to offer placements, while Information and Communications and Transport and Storage employers were least likely. Base: All sites in Wales (Module B). Range: Information and Communications 30 to Wholesale and Retail 274. Financial Services and Public Administration not shown due to low base sizes.

<sup>[12]</sup> Please note that the base for Transport and Storage employers was 43 and for Information and Communications employers it was 30. Results should therefore be treated with caution.

Employers with 100 or more employees (72%) were around three times more likely to have offered any type of placement compared with employers with 2 to 4 employees (23%). This pattern of likelihood of offering work placements increasing with business size was true of all specific types of work placement.<sup>[footnote 13]</sup>

The average number of placements per employer was notably higher for adult placements. There was an average of 5.1 placements for the unemployed per employer providing them and 3.0 work trials for new recruits. In contrast, the average number of placements was lower for internships (1.3). In volume terms, employers in Wales provided more work trials for new recruits (23,100) than other types of placements.

**Table 4-3 Average number of placements per employer for each work placement type in the last 12 months**

Type of placement	Total number of employers with placements	Average number of placements
Placements for people at school	22,100	2.2
Placements for people at college	20,800	2.2
Placements for people at university	17,400	2.6
Work trials for new recruits	23,100	3.0
Placements for the unemployed	12,500	5.1
Internships, paid or unpaid	3,800	1.3

Base: All sites in Wales (2024 (Module B): 1,446); Placements for people at school (222), placements for people at college (226), placements for people at university (167), work trials for new recruits (164), placements for the unemployed (64), internships (63). Figures for the number of employers with placements have been rounded to the nearest 100.

#### **4.9.2 Duration, payment and progression**

The duration of work placements varied depending on type. Employers were generally unlikely to have offered longer term placements (lasting for two weeks or more) to people at school; 4 in 10 (40%) had done so in the past 12 months. This compared with 84% offering a placement of this length to people at university and 83% to people at college.

Internships tended to be longer than other types of placements; 87% of employers offered internships which lasted for two weeks or more. When focusing on adult placements, 76%

<sup>[13]</sup> Please note that the base for employers with 100 or more employees was 41. Results should therefore be treated with caution.

offered placements targeted at the unemployed that lasted two weeks or more and 61% offered placements of this length to people undertaking work trials.

When compared with other nations of the UK, employers in Wales were more likely to offer longer placements of two weeks or more to people at school than those in England (40% vs. 29%), but less likely than those in Scotland (56%). Employers in Wales were also more likely than their counterparts in England to offer longer placements to people at college (83% vs. 71%) and to offer longer work trials for potential recruits (61% vs. 48%).

How commonly employers paid individuals on work placements also depended on the type of placement. Most employers paid all those that undertook work trials (89%) or internships (81%) with them. Around half paid all of those that undertook a placement aimed at unemployed people (51%) or someone at university (50%). Fewer than half paid all those that undertook a placement designed for people at college (44%) or school (28%); the majority (70%) did not pay any of those who undertook a placement for people at school.

Employers were asked whether they had recruited anyone into a permanent or long-term paid role after being on a placement in the past 12 months. Employers were most likely to recruit someone into a permanent role following a work trial (53%). Around a third (34%) recruited someone following an internship while a quarter (25%) recruited someone following a placement designed for unemployed people.

Education placements were comparatively less likely to result in employment, however this varied based on education level. Employers were twice as likely to have recruited someone following a college placement than a school placement (28% vs. 13%). A fifth (20%) had recruited someone into a permanent position following a university placement.

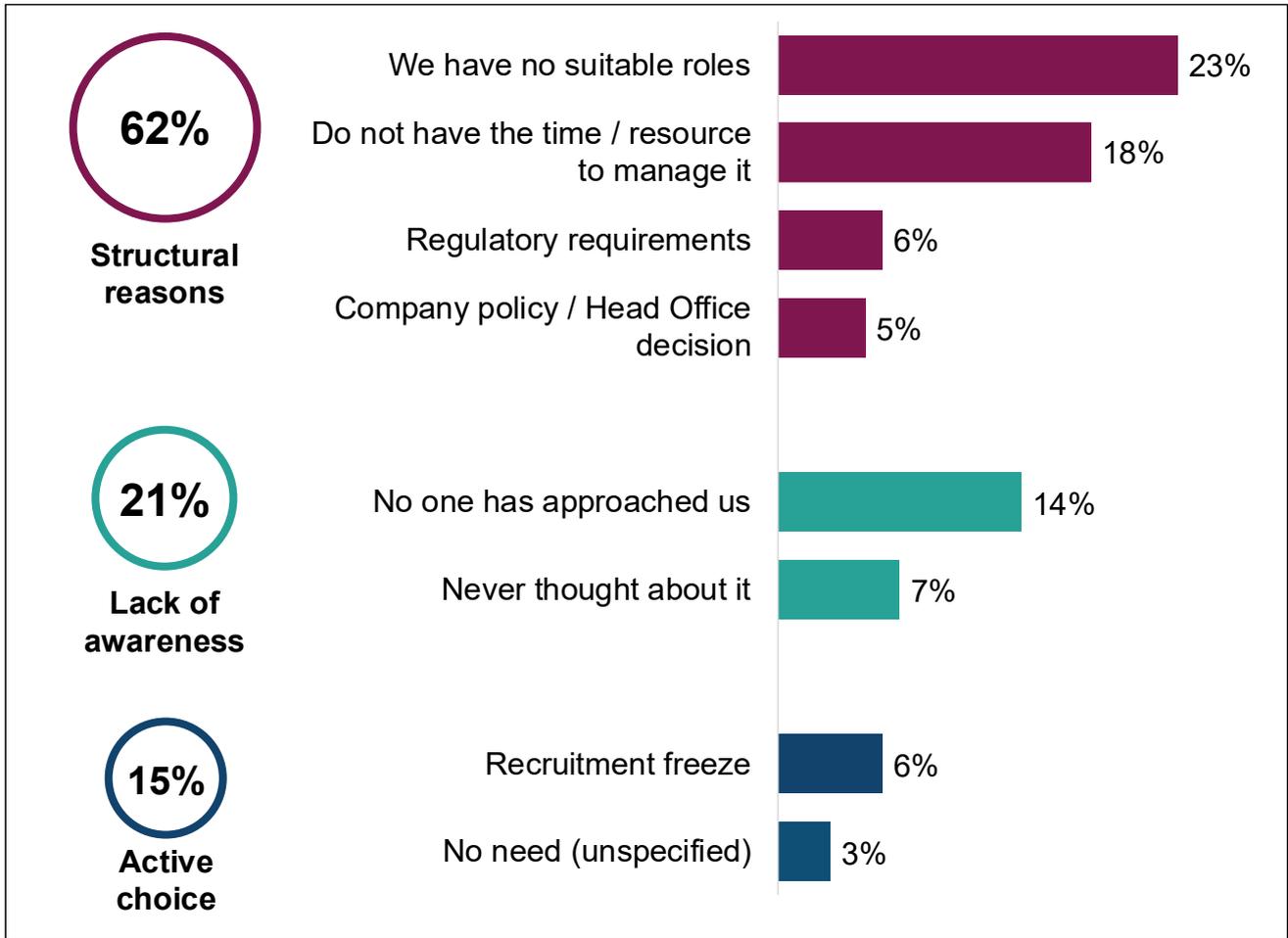
#### **4.9.3 Motivations for providing work placements**

Most employers offering some form of work placements did so for altruistic reasons (64%), with giving people experience (46%) and moral reasons / benefitting young people / 'doing their bit' (22%) being the most commonly cited altruistic reasons. Four in 10 (40%) offered work placements because it benefitted the company, with the most common 'company benefit' reason being that it supported sites with recruitment / gave them the chance to use the placement as a trial period (29%).

#### **4.9.4 Barriers to employers providing work placements**

Employers in Wales that did not offer work placements or other work-related experiences were most likely not to do so for structural reasons (62%), with the most common reasons being that they do not having suitable roles (23%) and they do not have time / resource to manage it. Smaller proportions did not offer any form of work placement due to a lack of awareness (21%) or because they'd made an active choice not to do so (15%).

**Figure 0-30 Reasons for not providing placements (unprompted)**



Description of Figure 4-20: Chart showing the reasons why employers did not offer work placements. The most commonly cited reasons were structural reasons, such as having no suitable roles. Base: All sites who have not had anyone in on work placements or engaged with educational institutions to offer other work-related experiences to students in the last 12 months (Module B): 789. Responses cited by fewer than 3% not shown.

Looking at different regions, employers in North Wales (56%) were less likely to cite structural reasons when compared with the average across Wales overall (62%). There were few differences between sectors, although Hotels and Restaurants employers were least likely to cite structural reasons (50% vs. 62%) and Health and Social Work employers were least likely to cite reasons relating to an active choice (5% vs. 15%).

## 5 Training and workforce development

### 5.1 Chapter summary

Overall, 6 in 10 (60%) employers had funded or arranged training for their staff over the previous 12 months, the same proportion as 2022 (60%) but lower than 2019 (62%) and 2015 (63%), suggesting that a lower level of employer engagement in workforce training may be becoming the norm. This is a trend which has been reflected across the four UK nations since 2022. The proportion providing off-the-job training increased from 36% in 2022 to 40% in 2024, while around half (50%) of employers had provided on-the-job training, similar to 2022 (51%).

The total number of staff that had received training in the last 12 months had increased from around 787,100 in 2022 to 823,400 in 2024 (an increase of 5%), though the proportion of the workforce trained across these years was similar (64% in 2024 and 63% in 2022). By nation, a larger proportion of employees in Wales (64%) and England (63%) received training compared to those in Northern Ireland (61%) and Scotland (60%).

Employers in Wales provided a total of 5.4 million training days over the previous 12 months, in line with the 5.3 million training days provided in 2022. Per annum, this equates to 6.6 training days per person trained ('per trainee') and 4.2 training days per employee (again similar to 6.8 days per trainee and 4.2 per employee). As in 2022, employers in Wales provided the most training days per trainee and per employee of the UK nations.

Overall, employers in Wales spent £2.4 billion on training in 2024, a 6% decrease from the equivalent £2.5 billion figure in 2022. Coupled with the increase in number of staff trained, spend per trainee decreased by 11%, to £2,900 per annum. Employers in Wales experienced a smaller fall in their training spend per trainee in comparison to England (which fell by 18%). Between 2022 and 2024, the proportion of training expenditure spent on off-the-job training increased from 42% to 49%, with the real terms spend increasing from £1.1 billion to £1.2 billion, returning to a similar level of spend to that seen in 2019.

Continuing historical trends, job specific training was the most common type of training provided to staff (85%, similar to 84% in 2022) followed by health and safety or first aid training to their staff (75%, up from 71% in 2022). Around 7 in 10 (70%) training employers had funded or arranged online training or e-learning for their staff in the previous 12 months, a new series high, though similar to the 2022 result (69%).

Two fifths (40%) of employers had not funded or arranged any training for their staff in the previous 12 months. The most common reason for not providing any training was that staff are already fully proficient and so there was no need for training (68%).

Overall, 57% of all employers were in training equilibrium, the same proportion as 2022. The remaining 43% were not in training equilibrium i.e., they would have liked to provide more training to their staff over the previous 12 months. The desire to provide more training was highest among employers in Education (67%) and Health and Social Work (58%), and lowest in Construction (31%), Primary Sector and Utilities (32%) and Transport and Storage (33%).

## 5.2 Introduction

Workforce training is a key way for employers to address skills gaps and shortages and therefore improve their productivity. This chapter explores the training landscape in Wales in 2024 and how this has changed over time, covering:

- how many employers funded or arranged training and development for their employees in the previous 12 months, and the types of employer who were more likely to have done so
- how many employees they provided training for, and the occupations receiving this training
- employer expenditure on training
- types of training provided
- the barriers and limits on training

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

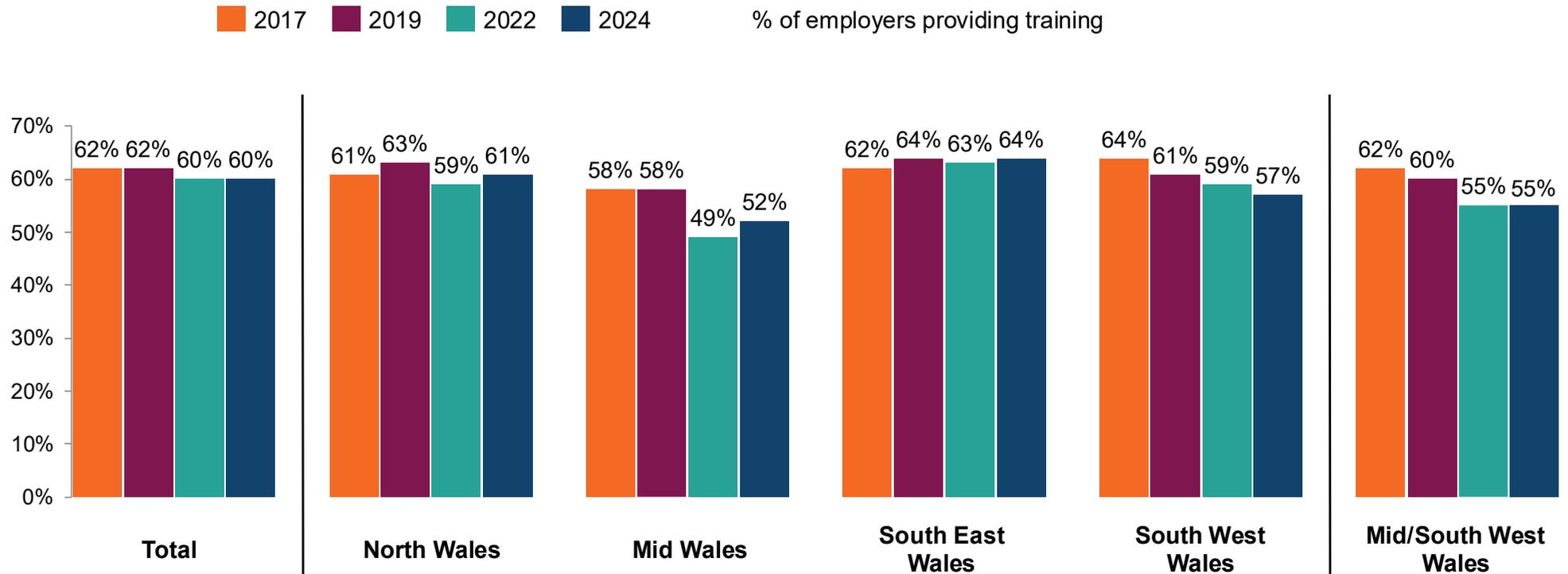
- **off-the-job training:** training beyond that which takes place on-the-job or as part of an individual's normal work duties; this can be undertaken at an employer's premises, at a provider, at home or elsewhere.
  - Prior to 2022, the definition for 'off-the-job training' was 'training away from the individual's immediate work position, whether on the employer's premises or elsewhere'; this should be noted when comparing 2024 and 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

Employers may have provided one or both of these types of training.

## 5.3 Incidence of training and workforce development

Six in ten employers (60%) had funded or arranged training for staff over the previous 12 months. As shown in Figure 0-31 (which looks at the proportion of employers providing training in Wales overall and each region over time), this is in the same proportion as in 2022 (60%) but remains lower than 2019 (62%) and 2015 (63%), suggesting that a lower level of employer engagement in workforce training may be becoming the norm.

**Figure 0-31 Proportion of employers training, 2017 to 2024**



Description of Figure 5-1: Chart showing the proportion of employers providing any training overall in Wales and among each region over the period 2017 to 2024. In Wales overall, the proportion of employers providing training was consistent with 2022 and lower than in 2019. In the regions, the proportion providing training has been relatively consistent in North Wales and South East Wales, but has declined since 2017 in both Mid Wales and South West Wales. Base: All sites 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; 2024: North Wales: 1,350, Mid Wales: 717, South East Wales: 2,310, South West Wales: 1,228, Mid / South West: 1,945).

The proportion providing training in Wales was similar to the proportion in England (59%) and higher than the proportion in Northern Ireland (56%), but lower than in Scotland (63%).

As in 2022, employers in South East Wales were most likely to have provided training to their staff (64%), followed by North Wales (61%) and South West Wales (57%). Employers in Mid Wales were again the least likely to have provided any training in the previous 12 months (52%).

The likelihood of having provided training increased with site size; while only 4 in 10 (43%) of the smallest employers with 2 to 4 employees had done so, this increased to around three quarters (78%) of employers with 5 to 24 employees. Among all other size bands, 9 in 10 or more employers had provided training and virtually all (97%) employers with 100 or more employees had. The proportion of employers with 100 or more employees also increased from 90% in 2022, returning to 2019 levels (97%).

By sector, employers in the Education (90%), Public Administration (86%) and Health and Social Work (85%) sectors were most likely to have provided training to their staff, mirroring previous years. Primary Sector and Utilities employers were again the least likely to have provided training (34%). This is reflected in the broader sector groupings, where employers in the public (87%) and charity or voluntary sector (80%) were more likely to have provided any training to staff compared to private sector employers (57%).

Employers with skills gaps were more likely to have provided training compared to those without skills gaps (83% vs. 57%). Similarly, employers who had recruited in the previous 12 months were more likely to have trained their staff, compared to those who had not (80% vs. 43%), likely due to induction processes.

The proportion of employers providing off-the-job training to their staff increased from 36% in 2022 to 40% in 2024, though remained below 2019 levels (45%). This was driven particularly by increases in the Transport and Storage (46% vs. 33% in 2022) and Health and Social Work (63% vs. 55% in 2022) sectors, alongside employers with 5 to 24 and 25 to 49 employees (52% and 67% vs. 45% and 59% respectively).

Around half (50%) of employers had provided on-the-job training in 2024, similar to 2022 (51%). The proportion offering only on-the-job training decreased (21% vs. 24%). Employers in Financial Services were most likely to have only offered on-the-job training to their staff (31%), followed by employers in Hotels and Restaurants (26%). Arts and Other Services had the greatest decrease in the proportion providing only on-the-job training to their staff (17% vs. 26% in 2022).

**Table 5-1 Training provision over the last 12 months, by nation and region**

	<i>Unweighted base</i>	Train	Train off-the-job	Train on-the-job	Train on-the-job only
<b>Nation</b>					
Wales	5,605	60%	40%	50%	21%
England	8,639	59%	40%	48%	19%
Northern Ireland	3,338	56%	37%	46%	20%
Scotland	5,080	63%	42%	53%	20%
<b>Region</b>					
North Wales	1,350	61%	39%	50%	22%
Mid Wales	717	52%	34%	40%	18%
South East Wales	2,310	64%	43%	54%	22%
South West Wales	1,228	57%	38%	47%	20%
Mid / South West	1,945	55%	36%	45%	19%

Base: All sites in Wales.

Considering national differences in the provision of off and on-the-job training, employers in Wales (40%) and England (40%) were more likely than those in Northern Ireland (37%) to have provided off-the-job training to their staff, although less likely than employers in Scotland (42%). Similarly, employers in Wales (50%) and England (48%) were more likely than those in Northern Ireland (46%) to offer on-the-job training, but less likely than Scotland (53%).

#### **5.4 Proportion of staff trained (overall and within occupation)**

Overall, employers in Wales had trained a total of 823,400 staff in the previous 12 months, a 5% increase from the 787,100 staff trained in 2022. This meant that around two thirds (64%) of the total workforce had received training during this period. Though the number of staff who received training increased in 2024, the total proportion of the workforce trained was similar to the level seen in 2022 (63%).

As shown in Table 5-2, a larger proportion of staff in Wales (64%) and England (63%) had received training, compared to Scotland (60%) and Northern Ireland (61%). There were no significant differences between Welsh regions in terms of the proportion of staff trained in 2024, nor were there any significant changes within each region from 2022 level

**Table 5-2 Number and proportion of staff trained over the last 12 months, 2015 to 2024**

	2015		2017		2019		2022		2024	
	No. trained (000's)	Staff trained (%)								
<b>Nation</b>										
Wales	760	64%	705	58%	820	65%	788	63%	823	64%
England	14,708	63%	15,233	62%	15,238	60%	15,430	60%	16,752	63%
Northern Ireland	463	64%	449	60%	489	62%	503	64%	511	61%
Scotland	1,474	62%	1,523	62%	n/a	n/a	1,443	59%	1,497	60%
<b>Region</b>										
North Wales	166	60%	152	55%	197	68%	188	65%	192	66%
Mid Wales	57	71%	56	67%	47	57%	49	61%	54	67%
South East Wales	376	65%	348	58%	404	65%	380	61%	411	64%
South West Wales	162	63%	148	56%	172	64%	171	63%	167	61%
Mid / South West	218	65%	205	59%	219	62%	219	63%	221	63%

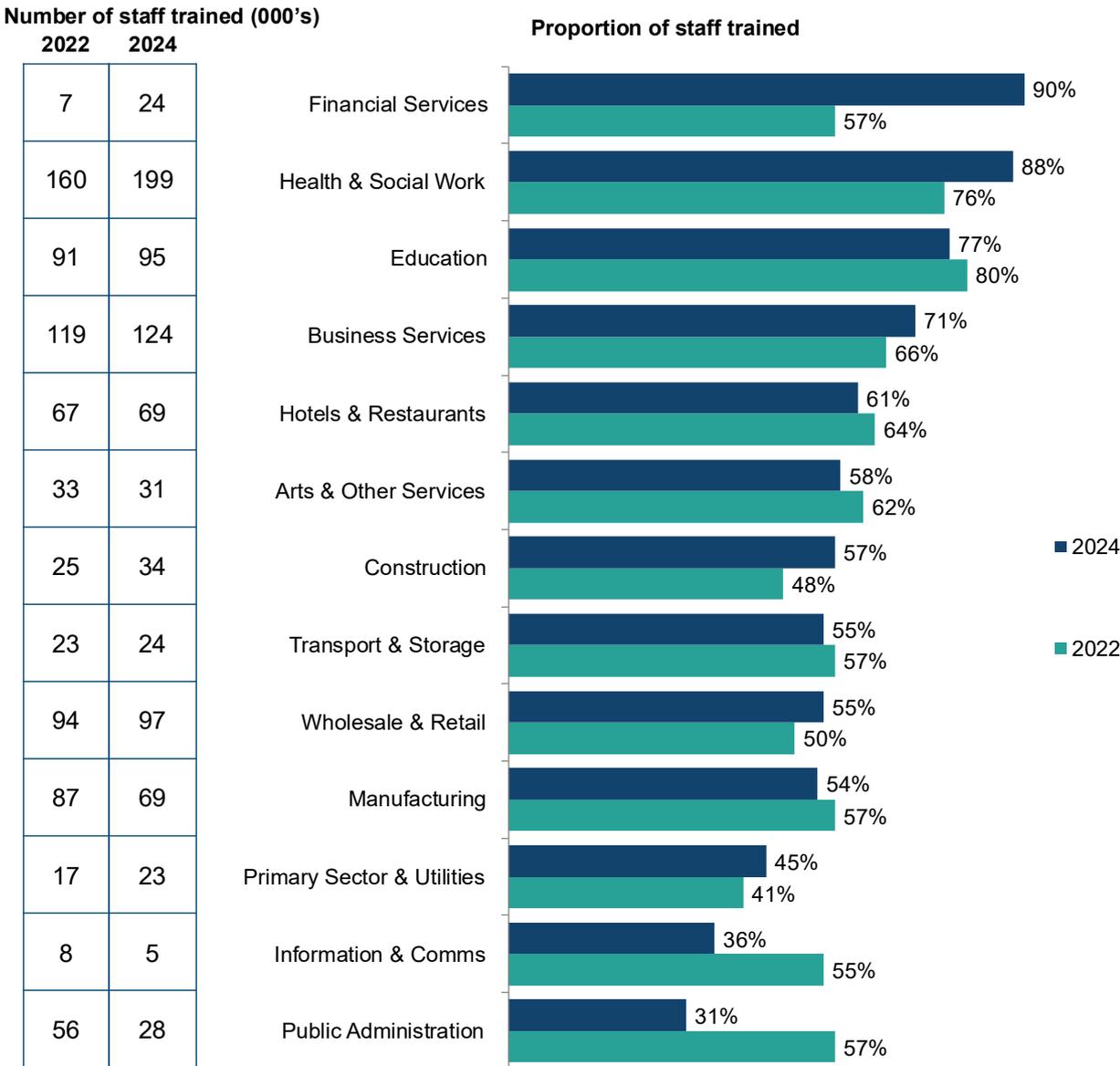
	2015		2017		2019		2022		2024	
	No. trained (000's)	Staff trained (%)								
<b>Size</b>										
2 to 4	42	37%	42	34%	47	38%	48	38%	45	37%
5 to 24	171	56%	174	56%	187	57%	189	60%	190	61%
25 to 49	108	71%	104	67%	105	65%	109	69%	110	69%
50 to 99	93	62%	94	65%	109	69%	97	68%	98	67%
100 or more	439	70%	289	59%	372	76%	344	66%	380	70%

Base: All sites in Wales (5,605). Other base sizes are shown Annex E. Percentages are based on all employment rather than all sites. Figures therefore show the proportion of staff within each subgroup trained over the last 12 months.

Matching previous results, the proportion receiving training was lower among those at smaller employers with 2 to 4 employees (37%) compared with those at employers with 100 or more employees (70%). The proportion of staff trained within each size band remained in line with 2022.

As shown in Figure 0-32, the proportion of staff trained varied by sector. Employers in Financial Services (90%), Health and Social Work (88%) and Education (77%) had trained the highest proportion of staff, while employers in Public Administration (31%), Information and Communications (36%) and Primary Sector and Utilities (45%) had trained the lowest proportion. The Public Administration sector saw a decline in the proportion of staff trained compared with 2022 (31% vs. 57% in 2022). Financial Services saw the greatest increase (90% vs. 57% in 2022), followed by Health and Social Work (88% vs. 76%). Please note that Financial Services had a relatively low base size of 41 respondents in 2022 so findings should be interpreted with caution.

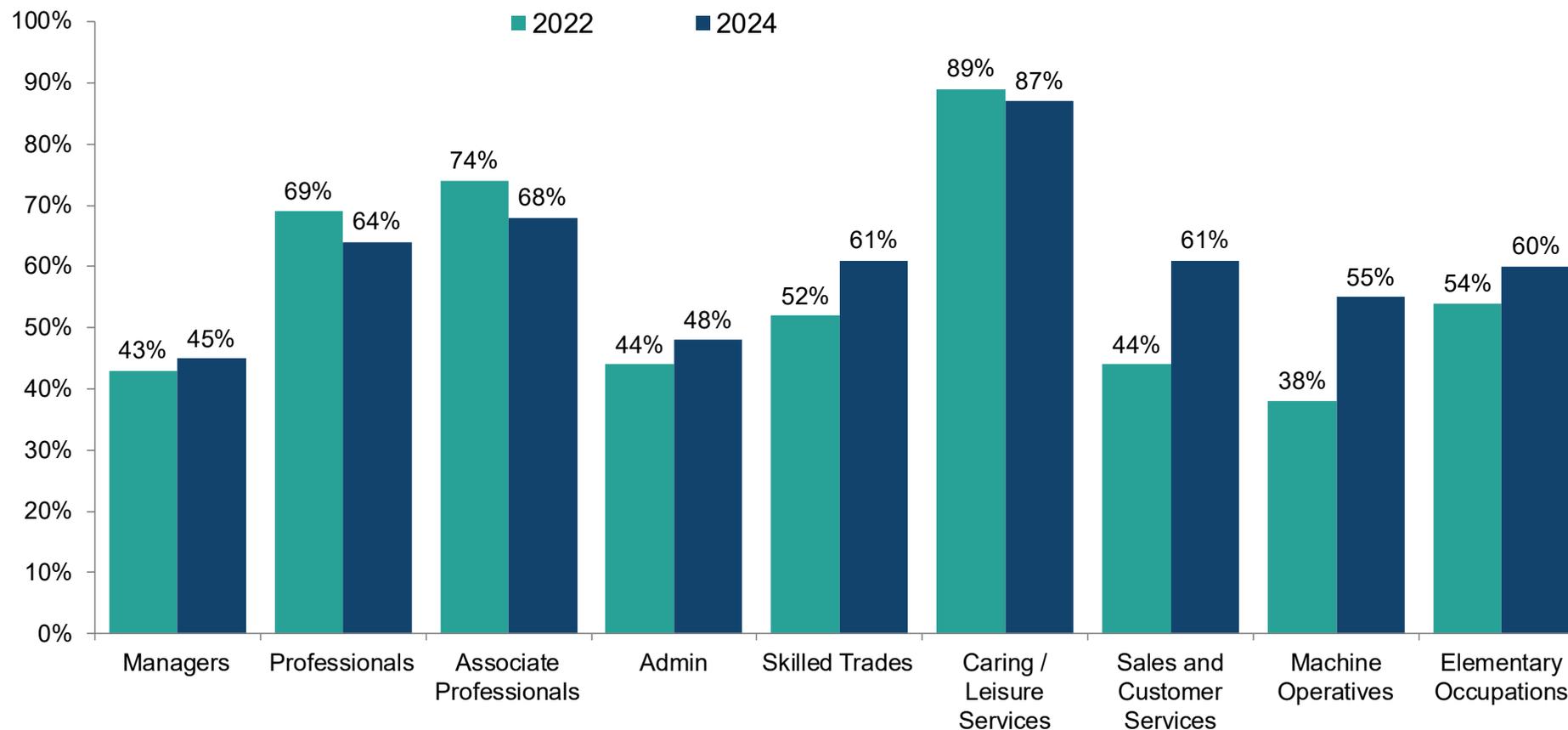
**Figure 0-32 Proportion of staff trained by sector, 2019 to 2024**



Description of Figure 5-2: Chart showing the proportion of the workforce trained by sector over the period 2022 to 2024. Financial Services, Health and Social Work and Education employees were most likely to have received training in 2024. Base: All sites in Wales (2024 range: Financial Services 85 to Wholesale and Retail 1,116; 2022 range: Financial Services 58 to Wholesale and Retail 1,010; 2019 range: Financial Services 109 to Wholesale and Retail 1,442).

By occupational grouping, Caring, Leisure and Other Services occupations were the most likely to have been trained (87%) as in previous years, similar to the proportion in 2022 (89%). As shown in Figure 0-33 (which looks at the proportion of staff trained over the last 12 months by occupation over time), Managers (45%) and Administrative (48%) occupations were less likely to have received training in the previous 12 months than average (64%). Sales and Customer Services (61% vs. 44% in 2022), Machine Operatives (55% vs. 38%) and Skilled Trades (61% v. 52% in 2022) occupations all increased from 2022 levels.

**Figure 0-33 Proportion of staff trained over the last 12 months by occupation, 2022 to 2024**



Description of Figure 5-3: Chart showing the proportion of the workforce trained by occupation over the period 2022 to 2024. In both years, employees in Caring, Leisure and Other Services roles were most likely to have received training. Base: All sites in Wales (2022 range: Associate professionals 639 to Managers 4,597; 2024 range: Associate professionals 525 to Managers 2,676).

## 5.5 Training Days

Employers in Wales provided a total of 5.4 million training days over the previous 12 months, equating to 6.6 training days per person trained ('per trainee') and 4.2 training days per employee. These were in line with levels seen in 2022, where employers had provided 5.3 million training days, equating to 6.8 days per trainee and 4.2 days per employee. As in 2022, employers in Wales had provided both the most training days per trainee (6.6 days) and training days per employee (4.2 days) of all nations, as shown in Table 5-3.

By region, South East Wales had provided the most training days per trainee (8.0 days) and per employee (5.1 days), followed by Mid Wales (5.8 days and 3.9 days respectively). Employers in North Wales had provided the lowest number of training days per trainee (4.9 days) while those in the South West had provided the lowest number of training days per employee (3.2 days).

Continuing the pattern seen across the ESS series, smaller employers tended to provide more training days per trainee – 8.1 days per trainee for employers with 2 to 4 employees and 7.1 days for those with 5 to 24 employees, compared with 6.0 days for those with 100 or more employees. However, this pattern was not entirely linear, unlike in 2022. This was due to an increase in the number of training days per trainee among those with 50 to 99 employees from 6.3 days in 2022 to 7.2 days in 2024, while training days per trainee decreased from 2022 levels among employers with 25 to 49 employees (6.3 days vs. 7.1 days in 2022).

By sector, employers in Manufacturing provided the highest number of training days per trainee (13.5 days), followed by Construction employers (8.2 days). The Manufacturing sector saw the greatest increase from 2022 levels (13.5 days vs. 7.7 days in 2022) while Financial Services, which had provided the highest number in 2022, saw the greatest decrease (5.7 days vs. 14.3 days in 2022). Please note that Financial Services had a relatively low base size of 41 respondents in 2022 so findings should be interpreted with caution. Employers in the Public Administration sector provided the lowest number of training days per trainee (3.1 days) and also had the lowest number in 2022 (3.2 days). This was reflected in the broader sector groupings, where private sector employers (7.2 days) provided more training days per trainee than those in the charity or voluntary sector (5.9 days) and public sector (4.3 days).

**Table 5-3 Total training days, days per person trained and per employee, by region and site size, 2015 to 2024**

	2015			2017			2019			2022			2024		
	Total	Per Trainee	Per employee												
<b>Nation</b>															
Wales	5.4m	7.2	4.6	4.4m	6.2	3.6	4.2m	5.1	3.3	5.3m	6.8	4.2	5.4m	6.6	4.2
England	99.9m	6.8	4.3	97.6m	6.4	4.0	91.9m	6.0	3.6	90.3m	5.9	3.5	93.6m	5.6	3.5
Northern Ireland	2.6m	5.6	3.6	2.6m	5.7	3.5	2.7m	5.4	3.4	2.9m	5.8	3.7	2.9m	5.8	3.5
Scotland	9.9m	6.7	4.2	10.0m	6.5	4.1	n/a	n/a	n/a	9.6m	6.7	3.9	9.0m	6.0	3.6
<b>Region</b>															
North Wales	1.1m	6.7	4.0	0.9m	5.6	3.1	1.1m	5.5	3.7	1.3m	6.9	4.5	0.9m	4.9	3.3
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	0.3m	5.8	3.9
South East Wales	2.7m	7.3	4.7	1.8m	5.0	2.9	1.9m	4.7	3.1	2.8m	7.4	4.5	3.3m	8.0	5.1
South West Wales	1.2m	7.5	4.7	1.2m	8.2	4.6	0.9m	5.4	3.4	1.0m	5.7	3.6	0.9m	5.3	3.2
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	1.2m	5.4	3.4

	2015			2017			2019			2022			2024		
	Total	Per Trainee	Per employee												
<b>Size</b>															
2 to 4	0.4m	8.5	3.2	0.3m	7.6	2.6	0.4m	9.5	3.6	0.4m	8.5	3.3	0.4m	8.1	3.0
5 to 24	1.4m	8.2	4.6	1.2m	7.1	4.0	1.2m	6.7	3.8	1.4m	7.1	4.3	1.3m	7.1	4.3
25 to 49	0.9m	8.3	5.9	0.7m	7.2	4.8	0.6m	5.8	3.7	0.8m	7.1	4.9	0.7m	6.3	4.4
50 to 99	0.7m	7.7	4.7	0.7m	7.3	4.8	0.6m	5.1	3.5	0.6m	6.3	4.3	0.7m	7.2	4.8
100 or more	2.8m	6.3	4.5	1.4m	4.7	2.8	1.4m	3.6	2.7	2.2m	6.3	4.2	2.3m	6.0	4.3

Base: All sites that train in Wales. Base sizes are shown in Annex E.

## 5.6 Investment in Training

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 had provided training during the main Employer Skills Survey. All figures used from previous waves of ESS have been adjusted for inflation for comparative purposes.

Total employer expenditure on training and development over the previous 12 months in Wales was £2.4 billion. This was a 6% decrease on the level of investment seen in 2022 (£2.5 billion), though higher than levels seen in 2019 (£2.2 billion) as shown in Table 5-4. Despite the number of staff trained increasing in comparison to 2022, the overall spend decreased in 2024; meaning that the spend per trainee decreased (£2,900; a decrease of 11%), alongside the spend per employee (£1,900; decrease of 8%).

The 6% decrease in training expenditure in Wales reflected the pattern across all UK nations. The scale of the reduction in Wales, however, was smaller than in England, where overall training expenditure decreased by 11% compared with 2022. Northern Ireland and Scotland saw training spend reduce by 4% and 3% respectively. The fall in spend per person trained and per employee from 2022 to 2024 was also smaller in Wales than England (£300 and £200 respectively, compared with £600 and £300 in England). Spend per trainee fell by 11% in Wales, a smaller fall in comparison to England (which decreased by 18%).

**Table 5-4 Total training expenditure and spend per person trained and per employee, 2019 to 2024 (in 2024 prices)**

	2019			2022			2024		
	Total	Spend per person trained	Spend per employee	Total	Spend per person trained	Spend per employee	Total	Spend per person trained	Spend per employee
<b>Wales</b>	<b>£2.2bn</b>	<b>£2,700</b>	<b>£1,700</b>	<b>£2.5bn</b>	<b>£3,200</b>	<b>£2,000</b>	<b>£2.4bn</b>	<b>£2,900</b>	<b>£1,900</b>
England	£49.4bn	£3,200	£1,900	£50.4bn	£3,300	£2,000	£44.8bn	£2,700	£1,700
Northern Ireland	£1.4bn	£2,800	£1,700	£1.5bn	£2,900	£1,800	£1.4bn	£2,700	£1,700
Scotland	n/a	n/a	n/a	£4.6bn	£3,200	£1,900	£4.4bn	£2,900	£1,800
<b>Size</b>									
2-4	£0.3bn	£6,500	£2,400	£0.2bn	£5,100	£2,000	£0.3bn	£6,700	£2,500
5-24	£0.7bn	£3,700	£2,100	£0.7bn	£3,500	£2,100	£0.7bn	£3,400	£2,100
25-49	£0.4bn	£3,600	£2,300	£0.4bn	£3,400	£2,300	£0.3bn	£2,400	£1,600
50-99	£0.2bn	£2,100	£1,500	£0.3bn	£2,900	£1,900	£0.2bn	£2,400	£1,600
100 or more	£0.6bn	£1,500	£1,100	<i>£1.0bn</i>	<i>£2,800</i>	<i>£1,900</i>	£0.9bn	£2,400	£1,700

Base: Sites in Wales completing the investment in training study (2019: 1,362; 2022: 1,441; 2024: 1,507). Training spend data has been adjusted for inflation and are at 2024 prices. Base sizes can be found in Annex E. Figures in italics should be treated with caution due to low base size.

As seen historically, spend per trainee decreased with site size, from £6,700 among sites with 2 to 4 employees, to £2,400 among sites with 25 or more staff. The smallest employers (2 to 4 employees) were the only size band to see an increase in overall training spend in 2024 (0.3bn compared with 0.2bn in 2022).

Table 5-5 shows the composition of training expenditure in Wales and how this compares with previous years. A slightly higher proportion of training expenditure was spent on on-the-job training compared to off-the-job training (51% versus 49%). The proportion of overall expenditure allocated to on-the-job training decreased from 58% in 2022 to 51% in 2024. In real terms, this equated to a decrease in on-the-job training spend from £1.5 billion to £1.2 billion. This was driven by a fall in on-the-job trainee labour costs, from £1.1bn in 2022 to £759m in 2024 (a fall of 29% in real terms), which was closer to the spend seen in 2019 (£627m).

The proportion of training expenditure spent on off-the-job training increased from 42% to 49% between 2022 and 2024, with the real terms spend increasing from £1.1 billion to £1.2 billion, returning to a similar level of spend to that seen in 2019. The highest spend increases were seen on course-related expenses, in particular the cost of training management (rising from £309m to £378m and returning to levels seen in 2019) and trainee labour costs (which rose from £269m in 2022 to £323m in 2024).

**Table 5-5 Total training expenditure broken down by individual components, 2019 to 2024, in 2024 prices**

	2019		2022		2024	
<b>Total training expenditure</b>	<b>£2.2bn</b>	<b>100%</b>	<b>£2.5bn</b>	<b>100%</b>	<b>£2.4bn</b>	<b>100%</b>
<b><i>Off-the-job training: total</i></b>	<b>£1.2bn</b>	<b>57%</b>	<b>£1.1bn</b>	<b>42%</b>	<b>£1.2bn</b>	<b>49%</b>
<b><i>Off-the-job training: Course-related total</i></b>	<b>£1.1bn</b>	<b>50%</b>	<b>£900m</b>	<b>34%</b>	<b>£960m</b>	<b>41%</b>
Trainee labour costs	£343m	16%	£269m	11%	£323m	14%
Fees to external providers	£115m	5%	£98m	4%	£95m	4%
On-site training centre	£189m	9%	£146m	6%	£103m	4%
Off-site training centre (in the same company)	£32m	1%	£16m	1%	£23m	1%
Training management	£378m	17%	£309m	12%	£378m	16%
Non-training centre equipment and materials	£22m	1%	£33m	1%	£30m	1%
Travel and subsistence	£25m	1%	£16m	1%	£15m	1%
Levies minus grants	-£22m	-1%	-£16m	-1%	-£6m	<0.5%
<b><i>Off-the-job training: other (seminars, workshops etc.): total</i></b>	<b>£160m</b>	<b>7%</b>	<b>£196m</b>	<b>8%</b>	<b>£205m</b>	<b>9%</b>
Trainee labour costs	£119m	5%	£155m	6%	£158m	7%
Fees to external providers	£41m	2%	£42m	2%	£47m	2%
<b><i>On-the-job training: Total</i></b>	<b>£925m</b>	<b>43%</b>	<b>£1.5bn</b>	<b>58%</b>	<b>£1.2bn</b>	<b>51%</b>
Trainee labour costs	£627m	29%	£1.1bn	42%	£759m	32%
Trainers' labour costs	£298m	14%	£400m	16%	£446m	19%

Base: Sites in Wales completing the Investment in Training study (2019: 1,362; 2022: 1,441; 2024: 1,507).

Overall, the wages of staff being trained on- or off-the-job (trainee labour costs) accounted for 52% of all training expenditure in Wales (£1.2 billion). This was in line with Scotland and Northern Ireland (52% and 51% respectively). Among employers in England the proportion of spend accounted for by wages of staff was slightly lower at 49%.

As seen in 2022, the proportion of training expenditure that went towards wages of trainees increased with size of site, from 29% of those with 2 to 4 employees, to 62% 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 sites had the highest proportional spend (34% compared to 16% of those with 100 or more employees).

**Table 5-6 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>Unweighted Base</i>	<b>Expenditure on training</b>	<b>% spent on off-the-job training</b>	<b>Wages of trainees</b>	<b>Wages of trainers (on-the-job only)</b>	<b>Fees to external providers</b>	<b>Other</b>
<b>Nation</b>							
Wales	1,507	£2.4bn	49%	52%	19%	6%	23%
England	2,150	£44.8bn	51%	49%	18%	7%	25%
Northern Ireland	883	£1.4bn	51%	51%	18%	7%	23%
Scotland	1,395	£4.4bn	45%	52%	18%	6%	24%
<b>Size</b>							
2-4	249	£0.3bn	56%	29%	29%	7%	34%
5-24	844	£0.7bn	56%	44%	18%	7%	36%
25-49	239	£0.3bn	47%	57%	16%	6%	26%
50-99	115	£0.2bn	38%	61%	19%	6%	19%
100 or more	60	£0.9bn	46%	62%	17%	5%	16%

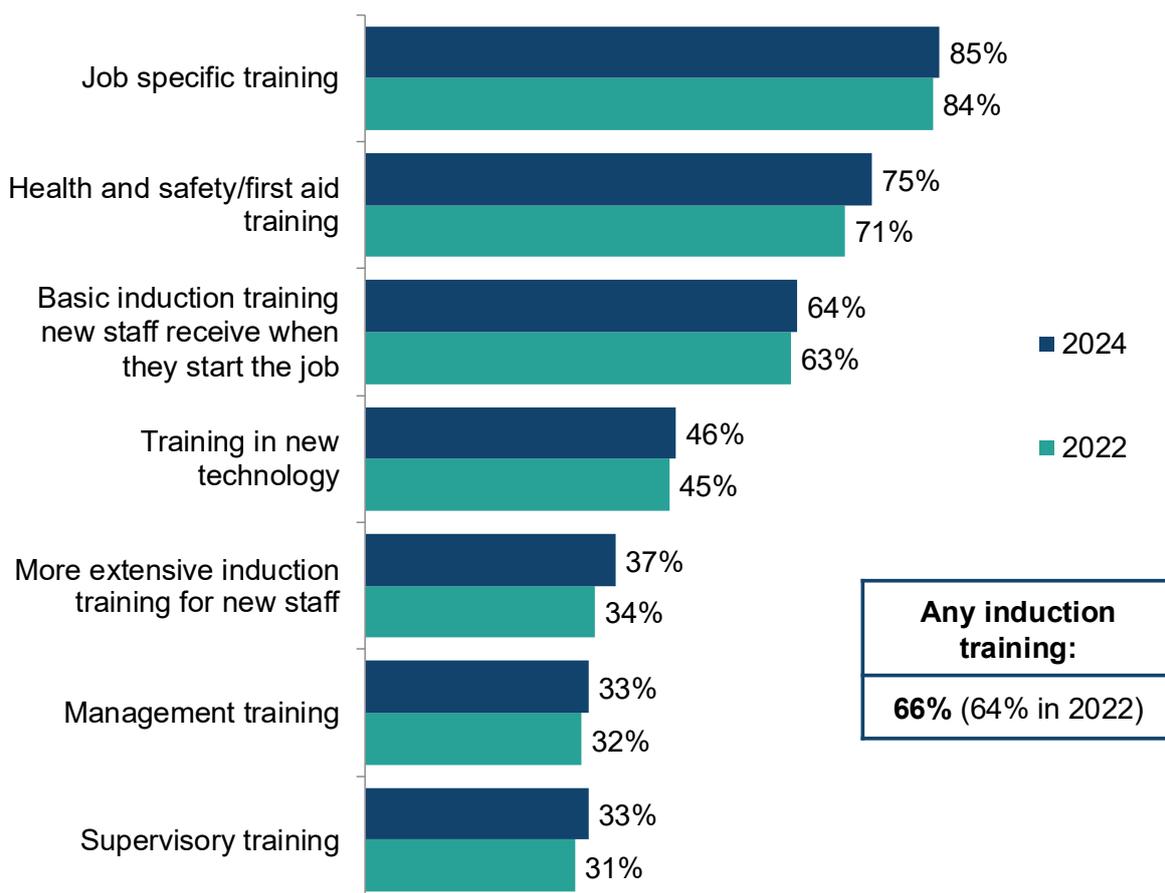
Base: Sites in Wales completing the Investment in Training study (1,507). The column 'other' includes such items as expenditure on training centres and on training management.

## 5.7 Types of training provided

### 5.7.1 Specific types of training

As in previous years, the most common type of training provided was job-specific training, with more than 8 in 10 (85%) employers that had provided training providing this specific form of training in the previous 12 months. This was similar to the proportion in 2022 (84%). As shown in Figure 0-34 (which looks at the types of training provided over the last 12 months in 2024 and 2022), three quarters (75%) of employers also provided health and safety or first aid training, an increase from 71% in 2022. Two thirds (66%) had offered some kind of induction training, either basic induction training when staff first start the job (64%) or more extensive induction training (37%). Compared with 2022, employers were more likely to have offered both more extensive induction training (37% vs. 34% in 2022) and supervisory training (33% vs. 31%).

**Figure 0-34 Types of training provided over the last 12 months by employers that train (prompted), 2022 to 2024**



Description of Figure 5-4: Chart showing different types of training provided by employers over the period 2022 to 2024. In both years, job specific training was most common, followed by health and safety or first aid training. Base: All sites providing training in Wales (2024: 4,014; 2022: 3,421).

Training employers in South East Wales and South West Wales (both 68%) were more likely to have offered any induction training to their staff compared with employers in North and Mid Wales (both 61%). This may in part be explained by the higher recruitment levels seen in South East Wales, where 50% had recruited in the previous 12 months compared with the average of 46%. Employers in South East Wales were more likely to offer most types of training than average, for example basic induction training for new staff (67% vs. 64% on average) and supervisory training (36% vs. 33%). Although, they were less likely to offer health and safety or first aid training (73% vs. 75%). In contrast, employers in Mid Wales were less likely to offer most types of training, for example only 24% offered supervisory training, compared with 33% on average.

As in previous years, larger employers with 100 or more employees were more likely than the smallest employers with 2 to 4 employees to offer all prompted types of training. For example, nearly all (97%) of the largest employers with 100 or more employees offered basic induction for new staff, compared with only just over two fifths (42%) of employers with 2 to 4 employees. Similarly, nearly three quarters (73%) of these largest employers offered management training, compared with less than one fifth (18%) of the smallest employers.

There was wide variation in the types of training provided by sector. The Health and Social Work sector was the most likely to offer several types of training, including health and safety or first aid training (91% vs. 75% on average), basic induction training (81% vs. 64%), more extensive induction training (54% vs. 37%) and supervisory training (48% vs. 33%). In contrast, Primary Sector and Utilities employers were the least likely to offer many forms of training, including job specific training (77% vs. 85% average), basic induction for new staff (47% vs. 64%), more extensive induction training (24% vs. 37%) and training in new technology (30% vs. 46%).

Management training was most commonly provided by employers in the Education (57%) and Health and Social Work (49%) sectors in the last 12 months, while those in Construction (20%), Information and Communications (21%) and the Primary Sector and Utilities (22%) were least likely to have provided this training. Looking at training in new technology, this was most commonly offered by employers in the Information and Communications sector (77%), followed by the Wholesale and Retail sector (54%). Similarly, employers who used AI were more likely to offer training in new technologies (63%), compared with those who did not use AI (43%).

Induction training and health and safety or first aid training may often be undertaken because it is a legislative requirement, rather than to develop the skills of the workforce. With this in mind, the ESS series has asked employers what proportion of their training over the previous 12 months involved these types of training. Overall, around one third (32%) of employers who had provided training said that at least half of their training was for basic induction or health and safety training, lower than the 36% seen in 2022. Just over 1 in 10 (12%) said that all of their training was either basic induction or health and safety training, the same proportion as 2022. Smaller employers with 2 to 4 employees (19%) and those

operating in the Hotels and Restaurants (22%) and Construction (20%) sectors were particularly likely to say all of their training was either induction or health and safety training.

### **5.7.2 Online training and e-learning**

Seven in ten (70%) training employers had funded or arranged online training or e-learning for their staff in the previous 12 months, the highest proportion in the ESS series, though similar to the proportion in 2022 (69%). The provision of online training or e-learning varied by employer size. Among those with 2 to 4 employees, a small majority (56%) had offered this, rising to around three quarters of those with 5 to 24 employees (76%). Among all remaining size groups, around 9 in 10 employers had provided online training over the last 12 months. There was an increase in the proportions of employers with 5 to 24 employees (76% vs. 73% in 2022) and 25 to 49 employees (88% vs. 82% in 2022) who provided online training or e-learning compared with 2022.

By sector, employers in Health and Social Work (91%), Financial Services (88%) and Education (84%) were most likely to have offered online training or e-learning to their staff. Employers in Primary Sector and Utilities (44%), Construction (55%) and Transport and Storage (56%) were least likely to have done so. The only sectors that saw a decrease from 2022 were Public Administration (79% vs. 93% in 2022) and Education (84% vs. 94% in 2022). Employers in the Health and Social Work sector were more likely to have offered online or e-learning training to their staff when compared with 2022 (91% vs. 87%).

In 2024, there were no significant differences between regions in the proportion of employers offering online training or e-learning. However, the proportion offering these types of training in the South West increased from 66% in 2022 to 70% in 2024.

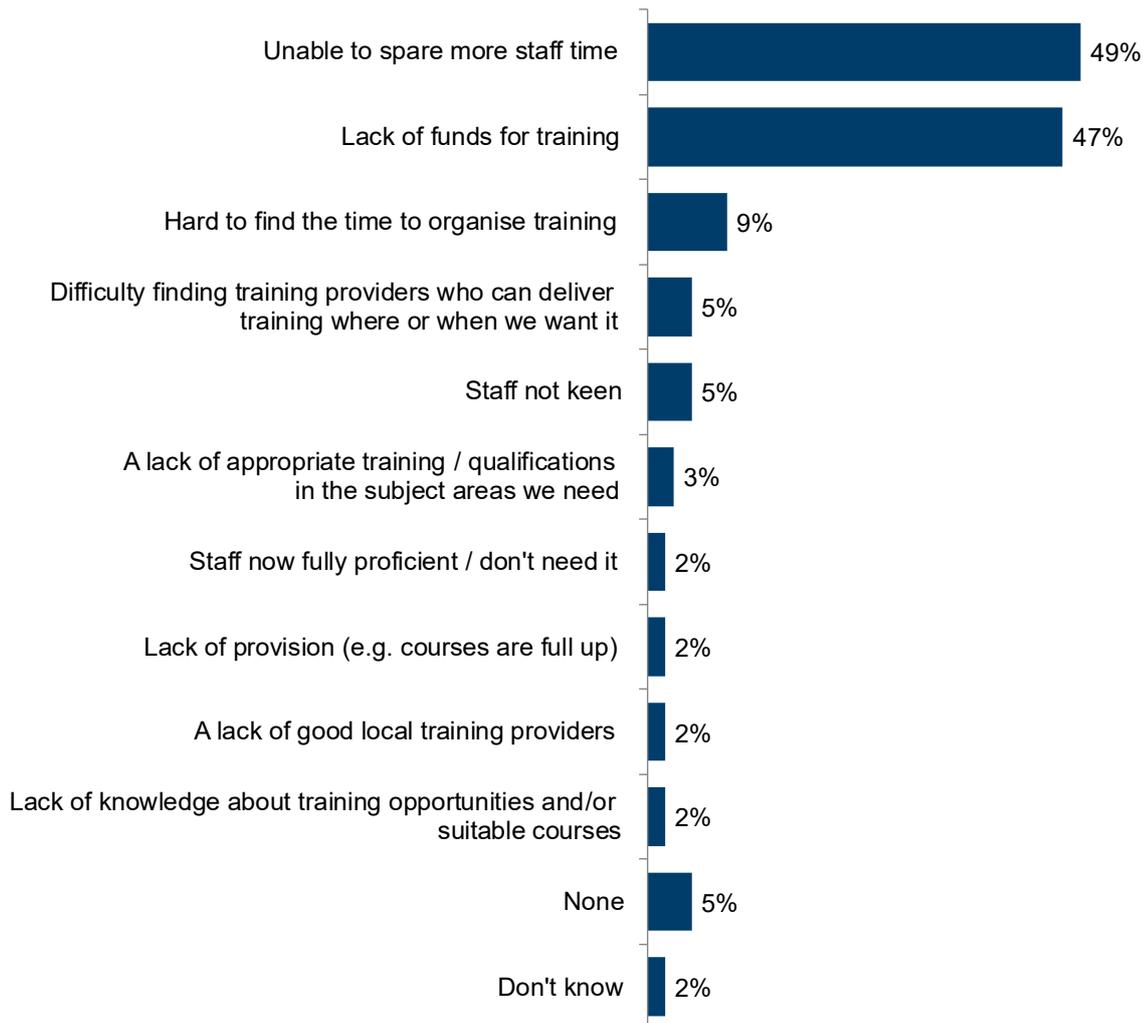
## **5.8 Barriers and limits on training**

Training employers were asked if they would have provided more training to their staff in the previous 12 months than they were able to. Just under half (46%) said they would have liked to have provided more training, in line with the proportion in 2022 (48%). As in 2022, the desire to provide more training generally increased with site size, from 42% of employers with 2 to 4 employees to 52% of those with 100 or more employees. However, this pattern was not entirely linear, as the 50 to 99 size group were most likely to have wanted to provide more training (58%).

By sector, employers in Education (60%) and Health and Social Work (54%) were most likely to want to provide more training. Employers in Manufacturing were the third most likely (53%), despite those in the Manufacturing sector offering the most training days per trainee of all sectors (13.5 days). Financial Services, the sector which had trained the highest proportion of staff (90% of staff trained) was one of the sectors least likely to report wanting to provide more training (28% vs. 46% average). Employers in the Arts and Other Services sector (52% vs. 63% in 2022) and the Construction sector (33% vs. 44%) were less likely to have a desire to increase training compared with 2022, whereas those in the Wholesale and Retail sector were more likely (50% vs. 43% in 2022).

Among training employers that would have liked to provide more training, by far the most common barriers to doing so mentioned were being unable to spare more staff time (49%) and a lack of funds for training (47%). The proportion of employers reporting these barriers increased from 2022 levels (from 46% and 38% respectively). Compared with 2022, a higher proportion of employers also mentioned staff not being keen (5% vs. 2% in 2022). However, the proportion reporting difficulties in finding the time for training as a barrier decreased (9% vs. 15% in 2022).

**Figure 0-35 Barriers to providing more training (unprompted)**



Description of Figure 5-5: Chart showing the barriers training employers face which stop them providing more training. The inability to spare more staff time and a lack of funds were the most commonly cited barriers. Base: All training sites in Wales that would have liked to provide more training in the past 12 months if they could (1,977). Responses less than 2% not charted.

The smallest employers (with 2 to 4 employees) were most likely to report a lack of funds for training as a barrier (51% vs. 47% average), while those with 5 to 24 employees were most likely to report being unable to spare more staff time for training (52% vs. 49%

average) or a lack of appropriate training or qualifications in the subject areas they need (5% vs. 3% average).

Education employers were most likely to report a lack of funds for training (75%), followed by employers in Arts and Other Services (67%). Employers in the Primary Sector and Utilities (12%) and Health and Social Work (7%) sectors were more likely to report difficulties in finding training providers who can deliver training where or when they need it. Public Administration employers were most likely to report being unable to spare more staff time for training (65%)<sup>[footnote 14]</sup>.

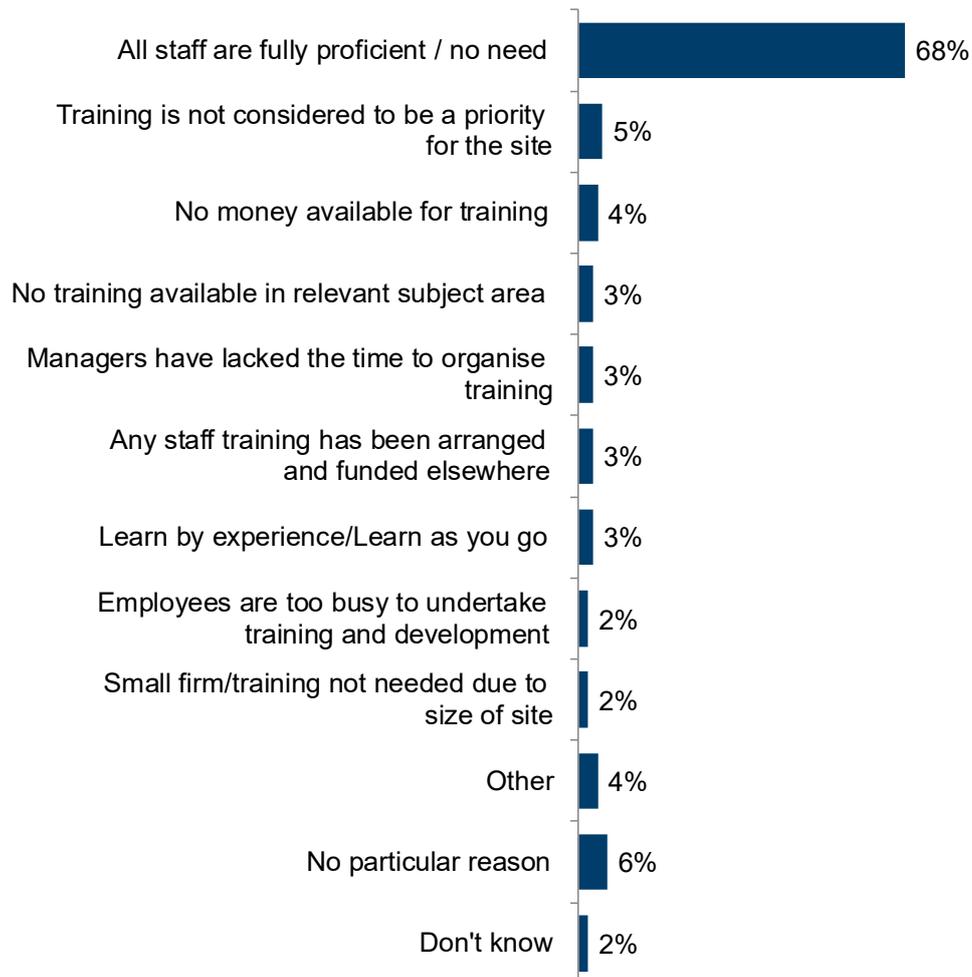
Overall, two fifths (40%) of all employers had not funded or arranged any training for their staff in the previous 12 months. These non-training employers were asked why they had not provided any training to their staff. As in previous years, the most common reason for not providing any training was that staff are all fully proficient and so there is no need for training (68%), as shown in

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<sup>[14]</sup> It should be noted the Public Administration sector had a relatively low base size of 41 respondents in 2024.

Figure 0-36 (which looks at the various reasons why training was not provided). There were no significant differences in the proportion reporting each reason compared to 2022.

**Figure 0-36 Reasons for not providing training in the previous 12 months (unprompted)**



Description of Figure 5-6: Chart showing the barriers non-training employers face which stop them providing any training. The most commonly cited reason for not offering training was that all staff are already fully proficient. Base: All sites that did not provide any training in Wales (1,476). NB: Responses less than 2% not charted.

Given that the sample of employers not providing training was largely made up of smaller employers, comparisons by size are limited. However, employers with 2 to 4 employees were more likely than those with 5 to 24 employees and 25 to 49 employees to mention not needing to train staff because all current staff were fully proficient (72%, 58% and 25% respectively).

There were few other differences by sector, although employers in Primary Sector and Utilities, who had the lowest incidence of training overall (34%), were more likely to report several reasons for not providing training: managers lacking the time to organise training (6% vs. 3% average), concerns that trained staff will be poached by other employers (2% vs. 1% average) and that staff are too busy to deliver training (2% vs. 1% average).

Employers in Manufacturing were also most likely to say there was no need for training as

all their staff are proficient (77%), while those in the Health and Social Work sector were the least (48%).

As in 2022, employers without skills gaps were more likely to report that there was no need for training as their staff are fully proficient, compared to those with skills gaps (70% vs. 37% with skills gaps). Employers with skills gaps were instead more likely to report a lack of money available for training (12% vs. 4% without skills gaps) and that staff learn by experience or as they go (9% vs. 3% without skills gaps).

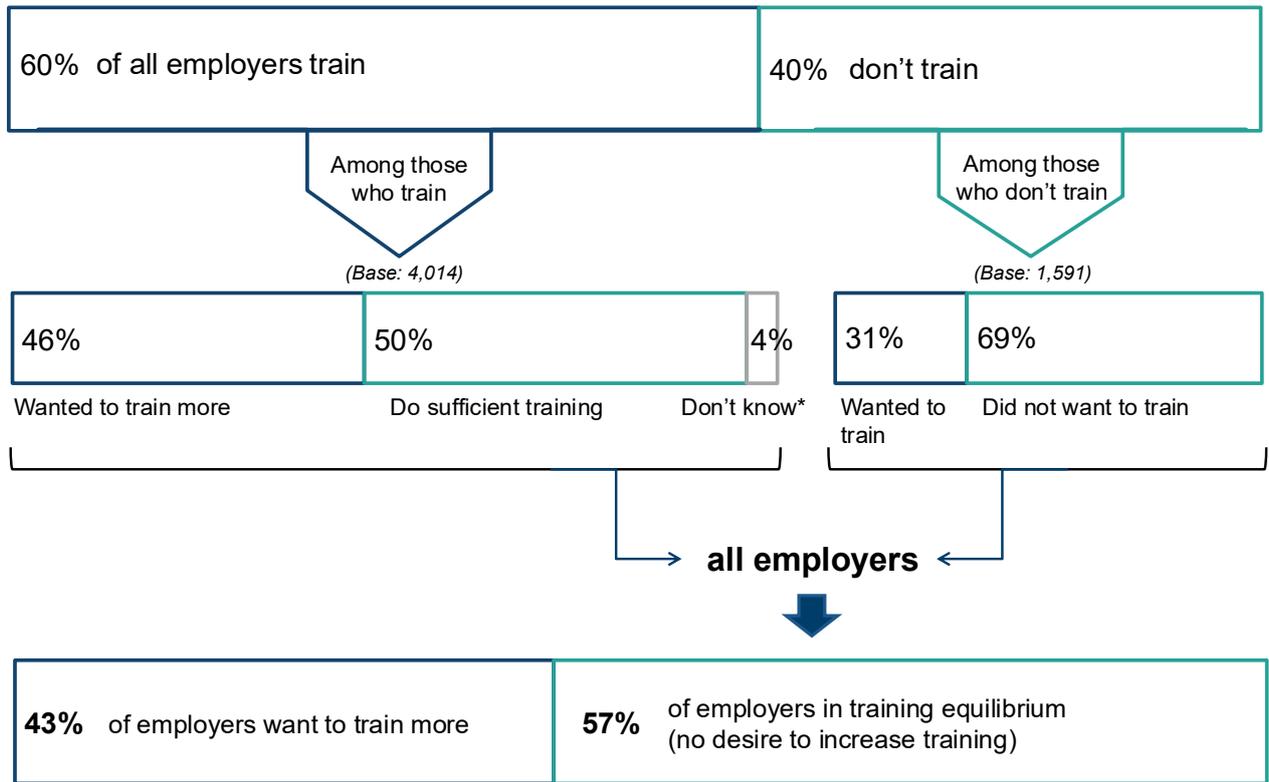
Figure 0-37 shows the proportion of employers that were in ‘training equilibrium’, meaning that they had not wished to undertake more training over the previous 12 months (in the case of non-training employers this means they had not wanted to provide any training)<sup>[footnote 15]</sup>.

Overall, 57% of employers were in training equilibrium in 2024, the same proportion as in 2022. The remaining 43% were not in training equilibrium, meaning that they would have liked to have provided more training to their staff in the previous 12 months.

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<sup>[15]</sup> 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 site, 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.

**Figure 0-37 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 sites in Wales (5,605).

As in 2022, the desire to provide more training generally increased with site size, ranging from 34% of employers with 2 to 4 employees to 62% of employers with 50 to 99 staff and 60% with 100 or more staff.

Employers in Education (67%) and Health and Social Work (58%) were most likely to have wanted to provide more training to their staff. In contrast, Construction (31%), Primary Sector and Utilities (32%) and Transport and Storage (33%) employers were least likely to indicate this. The desire for more training among Education employers increased from levels seen in 2022 (51%), above the level seen in 2019 (59%).

## **6 Apprenticeships**

### **6.1 Chapter summary**

Overall, around 1 in 6 (16%) sites offered apprenticeships (similar to previous results, ranging from 15% in 2016 to 17% in 2022). This includes employers that employed apprentices at the time of the survey (8%) or did not have them despite offering them (8%).

Employers in Wales were less likely than those in England to offer apprenticeships (16% vs. 20%). Results in Wales were similar to those in Northern Ireland (17%) and Scotland (16%).

As in 2022, employers in the Education sector were most likely to offer apprenticeships (33% in 2022 and 28% in 2024), followed by those in the Arts and Other (24%) and Construction (23%) sectors. Transport and Storage, Primary Sector and Utilities, and Hotels and Restaurants employers were least likely to offer them (6%, 9% and 13% respectively).

Apprenticeships were more commonly offered to new staff than to existing employees (83% and 51% respectively of those who offered apprenticeships). Some sites (37%) offered them to both groups, but only a small proportion (13%) offered them exclusively to existing staff (whereas 45% offered them exclusively to new recruits).

Looking ahead, around one quarter (24%) of employers in Wales planned to offer apprenticeships in the future, a notably lower proportion than in 2022 (35%).

Around 1 in 6 (16%) sites that had apprentices at the time of the survey said at least one of their apprentices were undertaking their qualification either in Welsh or bilingually, similar to 2022 (14%). By region, South West Wales had the highest proportion of sites with current apprentices doing this (27%), while South East Wales had the lowest proportion (7%). A fifth (20%) of all employers felt they would benefit from a wider range of Welsh or bilingual apprenticeships, with interest highest in North Wales (29%) and lowest in Mid Wales (13%) and South East Wales (14%).

### **6.2 Introduction**

This chapter examines employers' experiences of apprenticeships. It looks at the proportion of employers offering apprenticeships, whether current apprentices are undertaking their qualifications in Welsh or bilingually and if there is demand for a wider range of apprenticeships in Welsh or with a bilingual option.

### **6.3 Engagement in Apprenticeships**

Overall, 16% of sites either employed an apprentice at the time of the survey (8%) or said they offered apprenticeships despite not having them currently (8%). This is similar to results in 2022 (17%) and 2019 (16%). For the rest of this chapter, those who either currently employed apprentices or did not employ them currently but offered them, are referred to as employers that 'offer' apprenticeships for brevity.

Employers in Wales were less likely than those in England to offer apprenticeships (16% vs. 20%). Results in Wales were similar to those in Northern Ireland (17%) and Scotland (16%).

**Table 6-1 Apprenticeships offering over time by nation from, 2016 to 2024**

	2016	2019	2022	2024
<b>Wales</b>	15%	16%	17%	16%
<b>England</b>	19%	19%	20%	20%
<b>Northern Ireland</b>	13%	12%	14%	17%
<b>Scotland</b>	15%	-	16%	16%

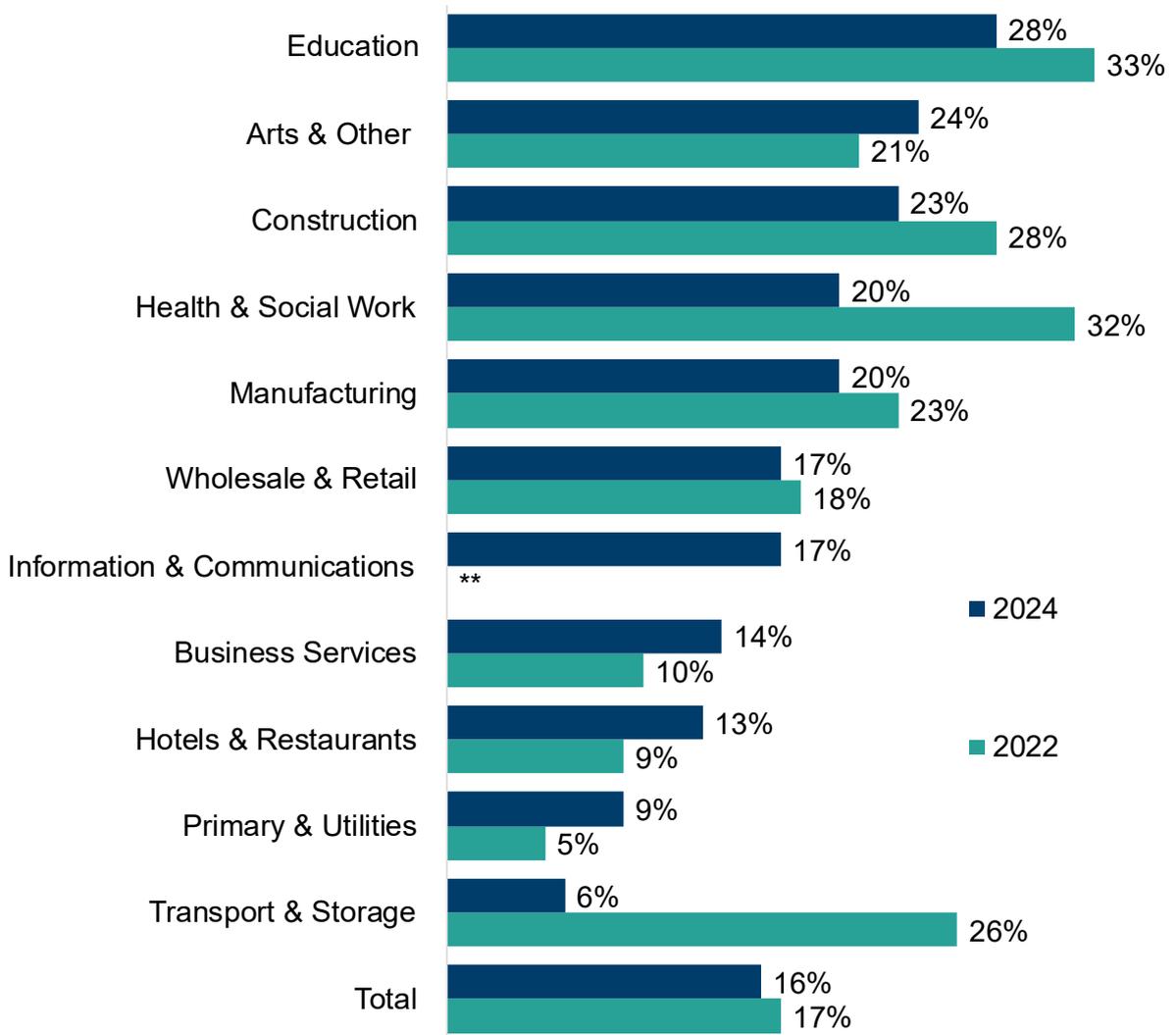
Base: All sites (2016: Wales: 1,997, England: 10,015, Northern Ireland: 2,007, Scotland: 4,009; 2019 (Module A): Wales: 1,704, England: 13,358, Northern Ireland: 1,008; 2022 (Module A): Wales: 1,239, England: 10,134, Northern Ireland: 905, Scotland: 1,325; 2024 (Module A): Wales: 1,379, England: 2,204, Northern Ireland: 868, Scotland: 1,327). Scotland was not included in 2019.

There were no statistically significant differences by region in terms of the proportion of sites offering apprenticeships. Figures ranged from 14% in Mid Wales to 18% in South East Wales. There were also no significant changes by region when comparing results over the past three surveys back to 2019.

By size, generally larger sites were more likely to offer apprenticeships compared to smaller ones. Only 10% of sites with 2 to 4 employees offered or currently had an apprentice whereas this figure was 45% of sites that had 100 or more employees. This trend was not linear as a lower proportion of sites with 50 to 99 employees compared to sites with 25 to 49 employees (32% vs. 39%); please note that this difference is not statistically significant but has been included to illustrate that the trend is not linear.

By sector, offering apprenticeships was most common among employers in Education (28%), Arts and Other Services (24%), and Construction (23%). The sectors least likely to offer them were Transport and Storage (6%), Primary Sector and Utilities (9%) and Hotels and Restaurants (13%). When comparing sectoral results to 2022, the Transport and Storage sector had seen the greatest decline in apprenticeship offering, from 26% of sites offering apprenticeships in 2022 to 6% in 2024. Similarly, fewer Health and Social Work sites said they offered apprenticeships in 2024 than in 2022 (20% vs. 32%).

**Figure 0-38 Apprenticeships offering by sector, 2022 to 2024**



Description of Figure 6-1: Chart showing the proportion of employers that either offer apprenticeships or have current apprentices by sector over the period 2022 to 2024. In both years, the likelihood of having current apprentices or offering apprenticeships was highest among employers in the Education sector. Base: All sites in Wales (Module A). 2024 range: Transport and Storage 56 to Wholesale and Retail 269; 2022 range Transport and Storage 45 to Wholesale and Retail 283. Results for Financial Services and Public Administration not shown due to low base sizes.

Employers facing internal skills shortages or recruitment challenges were more likely to offer apprenticeships, mirroring patterns seen in previous waves of the ESS. Among sites reporting skills gaps, 38% offered apprenticeships, compared with just 13% of those without such gaps. Similarly, 42% of sites experiencing skill-shortage vacancies (SSVs) offered apprenticeships, higher than the 12% of sites with no vacancies. This could be linked to business size, with larger sites more likely to experience SSVs and skills gaps, and offer apprenticeships.

It was more common for sites to hire staff specifically to start an apprenticeship than to offer apprenticeships to existing member of staff. More than 4 in 5 (83%) sites that offered apprenticeships said they offered these to new recruits, with close to half (45%) exclusively offering them to this group. Around half (51%) of sites offered apprenticeships to existing staff members but it was rare to only offer them to current staff (13%). Almost 2 in 5 (37%) employers said that they offered apprenticeships to both new recruits and existing employees. When comparing to other nations, employer in Wales were more likely than those in Northern Ireland to offer apprenticeships to existing members of staff (38%), but less likely than those in Scotland to offer apprenticeships to new employees (83% vs. 90%).

Almost all (92%) sites that offered apprenticeships offered them to young people aged under 25. This was around the same proportion of sites as in 2022 (90%). There were no differences compared with other UK nations. Close to 3 in 5 (57%) sites in Wales said that they offered apprenticeships to individuals aged 25 and over. Employers in Wales were more likely than those in Northern Ireland or Scotland ones to offer apprenticeships to this older age group.

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

	<b>Wales</b>	<b>Northern Ireland</b>	<b>Scotland</b>
<b>Existing employees</b>	51%	38%	49%
<b>New employees</b>	83%	89%	90%
<b>Young people (aged under 25)</b>	92%	89%	92%
<b>Aged 25 or over</b>	57%	46%	47%

Base: All sites who have/offer apprenticeships (Wales: 295; Northern Ireland: 199; Scotland: 297). These questions were not asked of English sites.

By region, sites in South West Wales who offered apprenticeships were more likely than sites in North Wales to offer apprenticeships to existing employees (59% vs. 38%). There were no differences by region when it came to the age of people that apprenticeships were offered to.

Smaller sites offering apprenticeships were less likely to offer apprenticeships to existing employees compared to larger sites; just over one quarter (27%) of sites with 2 to 4 employees offered apprenticeships to their existing staff members but this rose to 61% among sites with 5 or more employees.

Smaller sites were also less likely to offer apprenticeships to older workers aged 25 or over; under half (45%) of sites offering apprenticeships with 2 to 4 employees said they offered apprenticeships to them, compared with the 69% of sites with 25 or more employees.

## **6.4 Future plans**

Looking ahead, around one quarter (24%) of employers in Wales planned to offer apprenticeships in the future, a notably lower proportion than in 2022 (35%).

Larger employers were generally more likely to be planning to offer apprenticeships in the future (40% of those with 100 or more employees compared with 15% of those with 2 to 4 employees). However, this relationship was not entirely linear, with employers with 25 to 49 staff being most likely to plan to offer apprenticeships in the future (47% vs. 25% average).

By sector, Manufacturing employers were most likely to be planning to offer apprenticeships in the future (35% vs. 24% average), whereas those in Transport and Storage (8%) and the Primary Sector and Utilities sector (15%) were least likely. Looking at broad employer types, private sector employers (24%) were more likely than public sector employers (16%). Regionally, employers in Mid Wales (17% vs. average) were least likely to be planning to offer apprenticeships in the future.

## **6.5 Welsh language provision**

Among sites that had apprentices at the time of the survey, 16% said at least one of their apprentices was undertaking their qualification either in the Welsh language or bilingually. This is a similar proportion to 2022 (14%). Employers in South East Wales were less likely than average to report this (7%). In contrast, more than one quarter (27%) of employers with apprenticeships in South West Wales had an apprentice undertaking their qualification in either Welsh or bilingually.

All sites were asked whether they would benefit from a wider range of apprenticeship qualifications being made available in Welsh or in a bilingual format. Two in ten (20%) sites said that they would benefit from this (including 18% of those not currently offering apprenticeships).

Desire for a wider range of Welsh or bilingual apprenticeships was highest in North Wales, with 29% of employers in this region saying they would benefit from this. Sites in Mid Wales (13%) and South East Wales (14%) reported the lowest desire for a wider range of Welsh or bilingual apprenticeships.

By size, employers with 5 or more staff were more likely to support expanding Welsh or bilingual apprenticeships than those with 2 to 4 staff (23% vs. 17%). Demand was highest among sites with 25 to 49 employees (27%).

Demand for a wider range of Welsh language or bilingual apprenticeships was most common in the Education and Health and Social Work sectors (34% and 28% respectively).

Employers in the Manufacturing sector were the least likely to feel they would benefit from this (12%).

## **7 High performance working practices**

### **7.1 Introduction**

'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', sites must have adopted 7 or more of the 10 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.

### **7.2 Proportion of High Performance Working employers**

Overall, 6% of sites adopted seven or more HPW practices and therefore were HPW employers. On average, sites adopted four HPW practices. The proportion of HPW employers in Wales (6%) was not significantly different to Scotland (6%) and Northern Ireland (5%). There was, however, some variation at regional level within Wales. Employers in South East Wales were more likely than average to have HPW status (7%), while employers in North Wales were less likely to be HPW employers, compared to all other regions (4%). Mid Wales and South West Wales results (6% and 5% respectively) were in line with the Wales average.

The proportion of employers with HPW status increased with site size, ranging from 2% of employers with 2 to 4 employees to 41% among sites with 100 or more employees. This proportion for sites with 100 or more employees was more than double that of sites in the next size group down with 50 to 99 employees (19%).

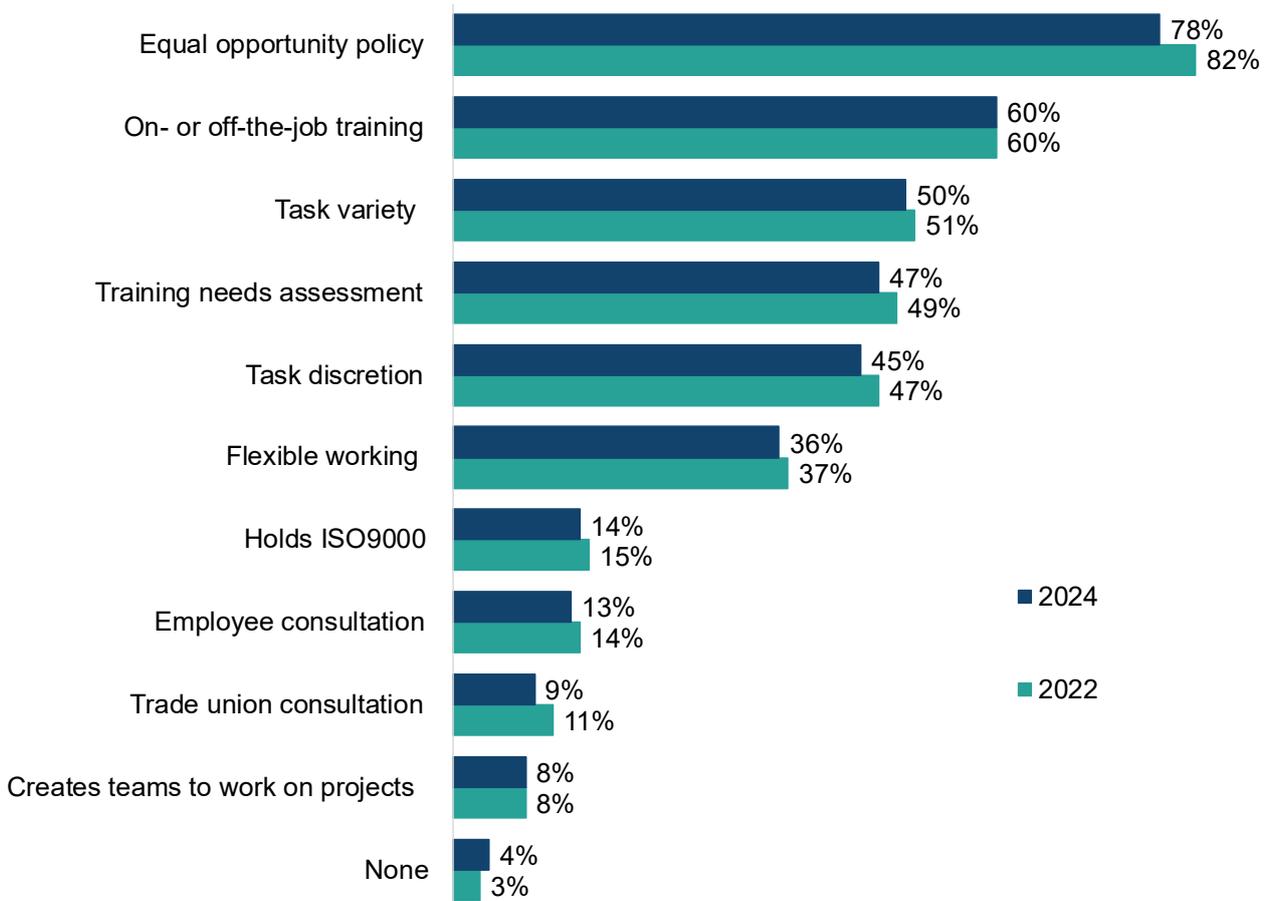
By sector, employers in Education and Health and Social Work were most likely to be HPW employers (26% and 14% respectively). Of the 110 Information and Communications employers asked about their HPW practices, none indicated that they had adopted the required number of practices to make them a HPW employer in 2024.

### **7.3 High Performance working practices**

The most common HPW practices adopted by sites, shown in

Figure **0-39** (which looks at results from both 2024 and 2022), were having an equal opportunity policy (78%) and offering on-or-off the job training (60%). Half of employers in Wales (50%) had task variety, 47% conducted training needs assessments and 45% gave employees task discretion. The least common specific HPW practice was creating teams to work on projects (8%); this was linked to business size, however, with none of the smallest employers with 2 to 4 employees citing this practice, compared with half of those with 100 or more employees (55%).

**Figure 0-39 Prevalence of High Performance Working Practices, 2022 to 2024**



Description of Figure 7-1: Chart showing the prevalence of high performance working practices among employers in Wales over the period 2022 to 2024. In both years, having an equal opportunity policy was the most common high performance working practice. Base: 2024 All sites in Wales (5,605); 2022 (Module D) (1,153).

The largest change in the specific HPW practices adopted was a decrease in the proportion of employers adopting an equal opportunity policy, compared with 2022 (78% vs. 82%). Changes over the 2022 to 2024 period for other specific HPW practices were less notable.

Employers in Wales were more likely than those in Northern Ireland to conduct training needs assessments (47% vs. 40%), and to give task discretion (45% vs. 41%), task variety (50% vs. 43%) and flexible working (36% vs. 30%). Employers in Wales were more likely than those in Scotland to provide flexible working (36% vs. 33%). However, employers in Wales were less likely than those in Scotland to have an equal opportunity policy (78% vs. 81%), provide on-or-off the job training (58% vs 63%) and conduct training needs assessments (47% vs 54%).

Employers in the South West Wales region were less likely than average to adopt a range of HPW practices including having an equal opportunity policy (72% vs. 78%), providing on-or-off the job training (54% vs. 58%), providing task variety (47% vs. 50%) and giving

employees task discretion (42% vs. 45%). Employers in the South East Wales region were more likely than average to provide on-or-off the job training (62% vs. 58%), have procedures in place for employee consultation (16% vs. 13%) and to have an equal opportunity policy (84% vs. 78%).

## 8 Artificial Intelligence

The rapid development of Artificial Intelligence (AI) is set to significantly impact how employers function, both now and in the future. While it offers employers the chance to boost productivity and innovation, it also brings skills challenges as employers adapt to new technologies. In order to understand how employers are engaging with AI, new questions were introduced in the 2024 survey which asked employers about their use of AI.

AI use by employers refers to the use of machines or software that imitate human behaviour such as problem-solving, learning, playing and communicating (for example natural language processing). This could be at any level of use and for any task, including the use of recent generative tools such as ChatGPT or Microsoft Co-pilot, and more complex solutions including machine learning and robotic automation.

As mentioned in [‘The Internal Skills Challenge’](#) chapter, broader digital skills contributed to around one third (31%) of skills gaps among employees in Wales.

### 8.1 Prevalence of AI use

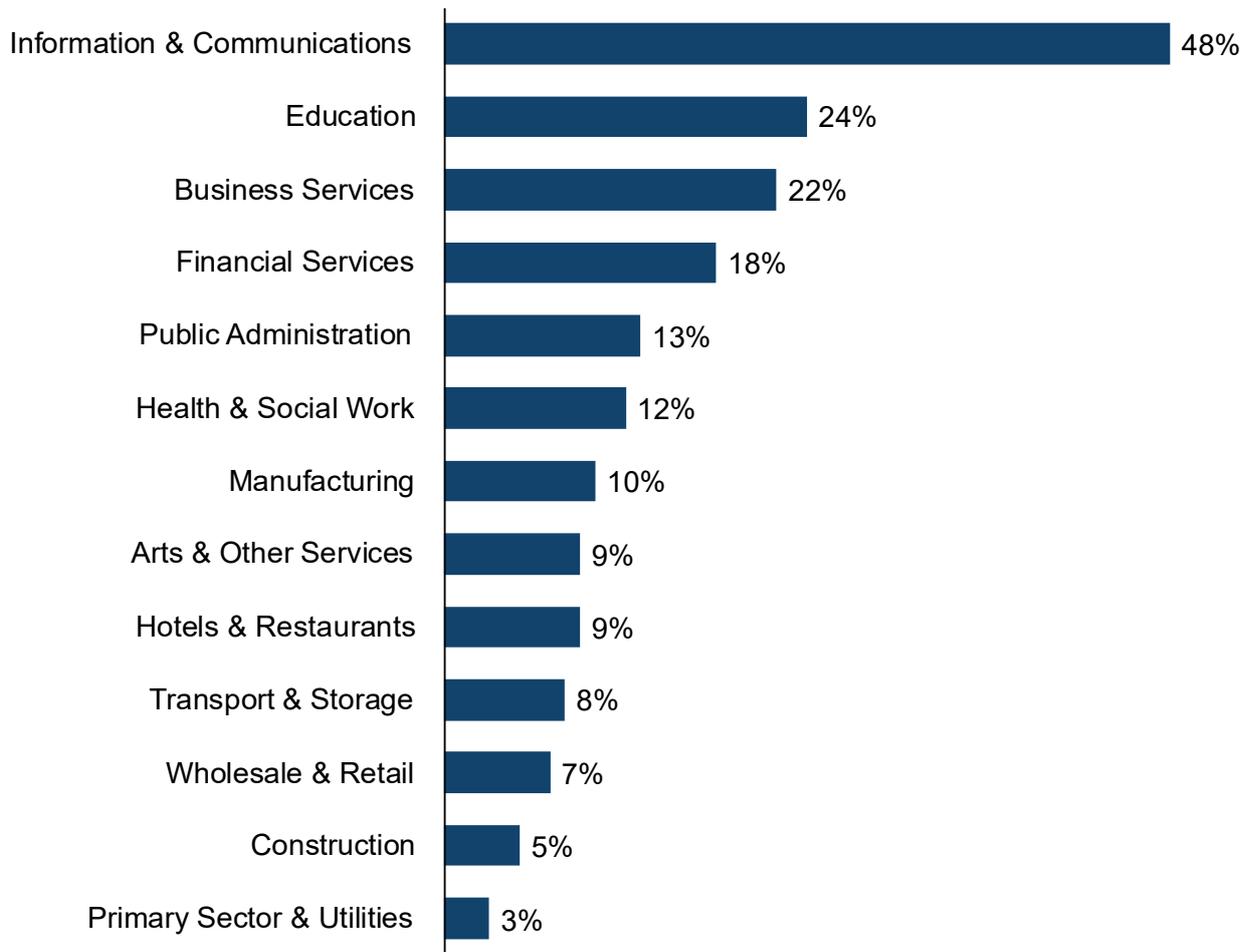
Around 1 in 8 (12%) employers said their site currently uses AI. As shown in

Figure 0-40, employers in the Information and Communications sector were by far the most likely to use AI at their site (almost half – 48% did so), followed by Education (24%) and Business Services (22%). Employers in Primary Sector and Utilities (3%), Construction (5%) and Wholesale and Retail (7%) were least likely to use AI. Employers in the public sector were also more likely to use AI (16%) than those in the private sector (11%). Likelihood of using AI generally increased by site size, from 10% of sites with 2 to 4 employees to 17% of sites with 100 or more employees. Although, this pattern was not entirely linear, as employers with 50 to 99 employees were the most likely to have used AI (18%).

Considering differences by nation, employers in Wales (12%) and Scotland (11%) were more likely to use AI than employers in Northern Ireland (8%), although less likely than those in England (15%). In terms of Welsh regional differences, employers in the South East were most likely to use AI (14%).

Sites which use AI were more likely to report that their staff lacked digital skills (45%) compared to those that do not use it (28%). Similarly, sites that use AI were more likely to report digital skills as being difficult to obtain from applicants (46%), compared to those that do not use it (36%). This could indicate that the emergence of AI is leading to more skills mismatches in the workforce and within the labour market.

**Figure 0-40 Prevalence of AI use by sector**



Description of Figure 8-1: Chart showing the prevalence of AI use by sector. Usage of AI was notably highest among Information and Communications sector employers. Base: All sites in Wales (base sizes range from 85 in Financial Services to 1,116 in Wholesale and Retail).

## 8.2 Future plans for AI

Among sites that used AI, for most this was a recent development, with two thirds (66%) having started in the last 12 months. Just over a fifth (21%) began using AI between 1 and 3 years ago, while 10% started more than 3 years ago. Employers in the Hotels and Restaurants sector were the most likely sector to have started in the last 12 months (78%), while those in the Information and Communications sector were more likely than average to have started 1 to 3 years ago (42%). The Arts and Other Services sector were the most likely sector to have started over 3 years ago (19%). It should be noted the Arts and Other Services sector had a relatively low base size of 43 respondents at this question.

Among employers that did not use AI (88% of all sites in Wales), only 7% had plans to start using it in the future (2% in the next 12 months, 4% in 1 to 3 years' time and 2% in more than three years' time). The majority of sites that said they do not use AI, had no plans to

do so in the future (80%). Smaller employers were again more likely to report having no plans to use AI in the future than larger employers (84% with 2 to 4 employees vs. 60% with 100 or more). Having no plans to adopt AI was also more common among employers in the Primary Sector and Utilities (89%), Construction (87%) and Hotels and Restaurants (86%) sectors.

Employers that used AI were asked to what extent they will embed AI into their processes and operations. The majority of these sites (86%) expected to embed AI to at least some extent – one quarter (25%) reported that this would be to a great extent. The largest employers were most likely to expect to embed AI to a great extent (44% of 100 or more employees). It should be noted the 100 or more employees size group had a relatively low base size of 32 respondents at this question.

## 9 Net Zero

Reducing carbon emissions and promoting sustainable practices has become a key policy focus in recent years, which has introduced employers with new technologies and approaches, as well as new skills challenges. Therefore, a new question was asked in the 2024 survey that asked employers about their Net Zero strategy. Being 'a Net Zero site' means that the site's carbon emissions are equal to, or less than, the amount of carbon being removed from the atmosphere by the site.

As mentioned in ['The Internal Skills Challenge'](#) chapter, a minority of employers with skills gaps (12%) reported that skills that needed improving among their staff related to wanting to be more sustainable or carbon neutral.

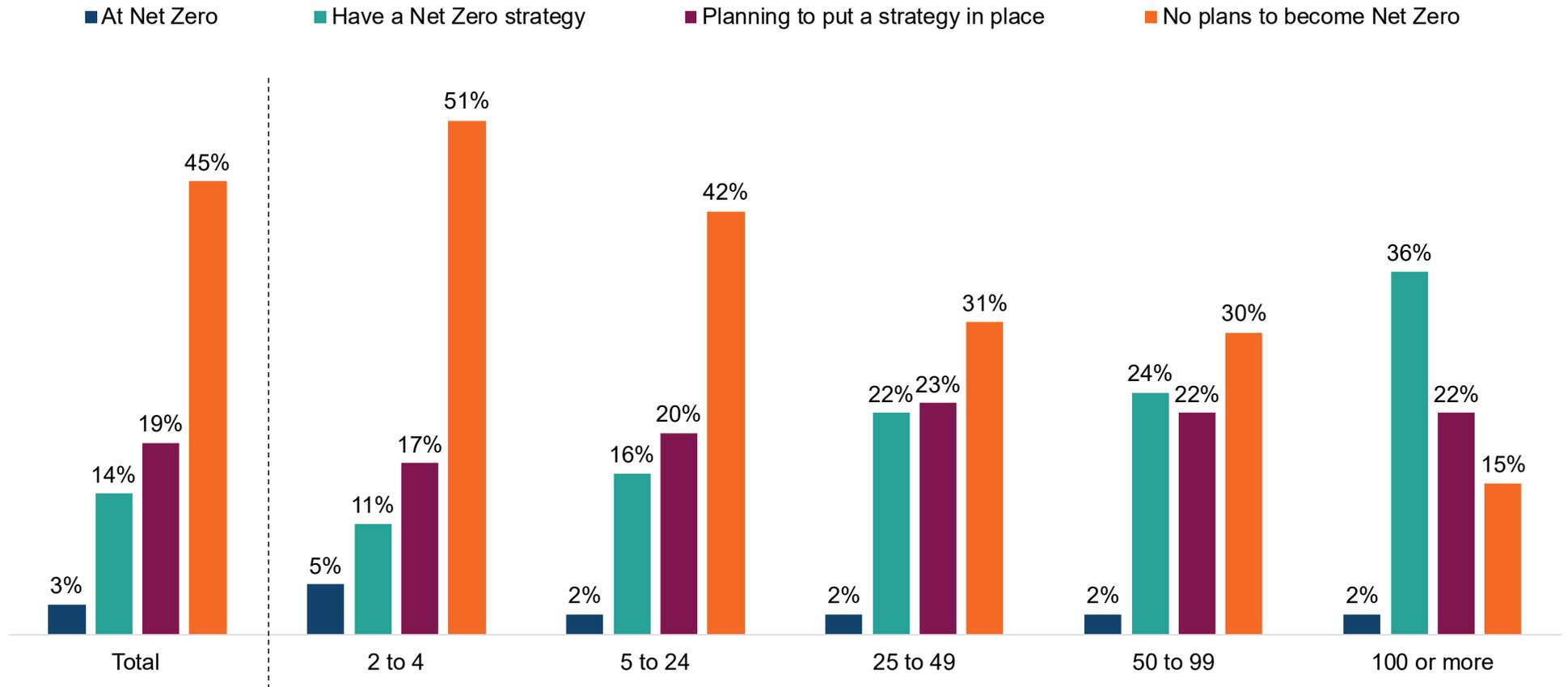
### 9.1 Prevalence of Net Zero strategies

Employers were asked whether they had a Net Zero strategy in place. Overall, 1 in 7 (14%) employers had a strategy in place, while a further 3% said they were already at Net Zero. Around 1 in 5 employers (19%) did not have a strategy in place currently but were planning to do so. Under half (45%) of employers had no plans to become Net Zero, though a sizeable proportion (19%) were also unsure about their Net Zero plans. Employers in the South West were most likely to report being at Net Zero (5%), as were the smallest employers (5%) and Primary Sector and Utilities employers (8%).

Employers in Wales and Scotland were asked questions about whether they had a Net Zero strategy in place. Results between the two nations were broadly consistent, with the only notable difference being that employers in Wales (14%) were less likely than those in Scotland (16%) to have a strategy in place to become Net Zero.

Smaller sites were more likely to report having no plans to become Net Zero – from 51% of those with 2 to 4 employees and 42% of those with 5 to 24 employees to 15% of those with 100 or more employees. Employers in Financial Services (64%) and Construction (57%) were also more likely to report this. Figure 0-41 provides a breakdown of the prevalence of Net Zero strategies by site size.

**Figure 0-41 Prevalence of Net Zero strategies by size**



Description of Figure 9-1: Chart showing the prevalence of having a net zero strategy by site size. The likelihood of having a net zero strategy increased with site size. Base: All sites in Wales (5,605). Base sizes range from 174 in the 100 or more size group, to 2,790 in the 5 to 24 size group.

## 10 Conclusions

Since the last survey in 2022, there have been a range of geopolitical, economic and technological developments for employers to navigate. Inflationary pressures, while easing, remain a key business challenge, while employers are also continuing to adapt to new trading and labour relationships with global partners. Employers are also met with the challenge of rapid advancements in Artificial Intelligence (AI), which has vast potential to change the way people work and the skills employers need.

[Employment rate data](#) (Stats Wales, 2025) shows a slight decline for Wales since the previous survey in 2022 – 74.6% for the year ending the second quarter of 2024, compared with 75.2% for the year ending the second quarter of 2022 (a 0.6 percentage point decrease). This decrease in the employment rate in Wales is more pronounced than the slight fall seen across the UK overall in the same period (76.7% across the UK in 2024 and 76.5% in 2022). As these figures show, the employment rate is below the average for the UK as a whole. The [latest Office for National Statistics \(ONS\) data on regional productivity](#) indicate that Wales' productivity continues to lag behind the UK average; in 2023 [Wales was 15% less productive than the UK overall in terms of output per hour](#).

The changing nature of the economy and these ongoing external pressures mean it is more important than ever to assess the skills challenges employers are navigating and whether (and how) they plan to enhance the skills of their workforce. ESS continues to provide a vital data source for measuring the incidence, nature and impact of skills, recruitment and training challenges facing employers and their response to these challenges. Compared with 2022, there has been a cooling of the labour market after a rapid increase in vacancies as the Welsh economy emerged from the COVID-19 pandemic period. Vacancies have decreased, returning to levels previously seen in 2015 and 2017. The challenge around the skills supply has lessened, though the proportion of all vacancies that are SSVs remains above the level seen in 2019.

Focusing on the internal skills challenge, while a lower proportion of employers had experienced skills gaps compared with 2022, this had not led to a notable reduction in the proportion of employees with skills gaps, suggesting skills gaps are more heavily concentrated among a smaller number of employers.

Skills challenges when recruiting were more prevalent among Manufacturing and Construction employers, though it was the Financial Services sector that was most acutely affected by skills gaps within the existing workforce. At the occupational level, Skilled Trades vacancies were most affected by skill-shortages when recruiting, but within the existing workforce skills gaps were most prevalent among labour-intensive occupations, most notably those working in Elementary roles.

As in previous editions of the ESS series, challenges in recruiting suitably skilled workers and addressing skills gaps among existing staff continue to hinder business performance. This places additional strain on current employees, drives up operational costs, contributes

to lost business opportunities, and limits the adoption of new products and working practices.

Training and workforce development provide a vital means of addressing skills issues within the workforce. A notable decline was seen in 2022 in the proportion of employers in Wales (and across the UK) providing training for their staff compared with the years 2015 and 2019. The latest findings on training incidence are consistent with 2022, suggesting that a lower level of employer engagement in workforce training may be becoming the norm. Financial investment in training also fell 6% in real terms compared with 2022. Despite some concerning patterns when considering overall training provision and investment in Wales, the proportion of staff trained in Wales and the number of training days being provided to staff has remained at stable levels (the former being higher than other UK nations), while also the reduction in overall training expenditure was less pronounced than in England, which saw an 11% decrease year-on-year.

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. The same proportion of employers in Wales were in training equilibrium as in 2022 (i.e. content with the level of training they provided), though this remained a lower proportion than in 2019. More employers had provided online training or e-learning for their staff than at any other time in the ESS series, although the proportion was not notably higher than in 2022.

Employers with skills gaps and skill-shortage vacancies 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. Looking specifically at employers' engagement with apprenticeships, the proportion planning to offer apprenticeships in the future had declined compared with 2022.

High Performance Working (HPW) employers are those who have adopted 7 out of the 10 HPW practices which ensure that employee skills are harnessed, nurtured and used to their best effect. In 2024, 6% of employers in Wales were classed as HPW employers. The most commonly implemented HPW practices have remained similar to 2022; these included having an equal opportunity policy, providing on- or off-the-job training, and providing staff with task variety.

While artificial intelligence (AI) continues to become an increasingly relevant and important new technology within the wider economy, usage among employers in Wales was relatively limited at the time of the survey. Just 12% of employers were using AI at the time of survey, with this being primarily driven by high usage among employers in the Information and Communications sector. For most sites using AI, this has been a relatively new development, while most sites that do not use AI have no plans to adopt it.

In a similar fashion to AI, employers' commitments to reducing carbon emissions and promoting sustainable practices has become an increasingly important policy focus in

recent years. A small minority (3%) of employers were reported to already be at Net Zero, while a further 14% had a net zero strategy in place. The majority of employers in Wales either had no plans to become Net Zero or were unsure of their site's Net Zero plans.

## 11 Appendices

### 11.1 Annex A: Industry coding

Each site was allocated to one of 13 sectors, based on their Standard Industrial Classification (SIC). SIC 2007 was used to classify sites 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 site, 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 from the [UK Standard Industrial Classification of Economic Activities 2007](#).

Sector	SIC 2007
Primary Sector and Utilities	<p>A - Agriculture, forestry and fishing (01-03) Including farming, hunting and other related service activities, forestry and logging, fishing and aquaculture</p> <p>B - Mining and quarrying (05-09) Including mining of coal, metals, sand/stone/clay, and extraction of crude petroleum and natural gas</p> <p>D - Electricity, gas, steam and air conditioning supply (35)</p> <p>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</p>

	conditioning supply, water collection, treatment and supply, sewerage and waste collection
Manufacturing	<p>C - Manufacturing (10-33)</p> <p>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</p>
Construction	<p>F - Construction (41-43)</p> <p>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</p>
Wholesale and Retail	<p>G - Wholesale and retail trade; repair of motor vehicles and motorcycles (45-47)</p> <p>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</p>
Hotels and Restaurants	<p>I - Accommodation and food service activities (55-56)</p> <p>Including hotels, campsites, youth hostels, holiday centres, villages and other short stay accommodation, restaurants and takeaways, event catering and licensed clubs, pubs and bars</p>
Transport and Storage	<p>H - Transport and storage (49-53)</p> <p>Including land, water and air transport (passenger and freight), warehousing and support activities for transportation, postal and courier activities,</p>
Information and Communications	<p>J - Information and communication (58-63)</p> <p>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)</p>

Financial Services	<p>K - Financial and insurance activities (64-66)</p> <p>Including banks and building societies, activities of holding companies, trusts, funds and similar financial entities, credit granting, pensions, insurance and reinsurance</p>
Business services	<p>L - Real estate activities (68)</p> <p>M - Professional, scientific and technical activities (69-75)</p> <p>N - Administrative and support service activities (77-82)</p> <p>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</p>
Public Administration	<p>O - Public administration and defence; compulsory social security (84)</p> <p>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</p>
Education	<p>P - Education (85)</p> <p>Including pre-primary, primary, secondary and higher education, other education (such as sports, driving schools, cultural education), educational support activities</p>
Health and Social Work	<p>Q - Human health and social work activities (86-88)</p> <p>Including Hospitals, medical and dental practices, residential care, social work activities</p>
Arts, entertainment, recreation and	<p>R - Arts, entertainment and recreation (90-93)</p>

<p>other service activities</p>	<p>S - Other service activities (94-96)</p> <p>Including performing arts, libraries and museums, gambling and betting, sports facilities, amusement and recreation activities, activities of membership organisations (religious, political, trade union, professional), personal services (hairdressing, beauty, textile cleaning, well-being activities, funeral activities)</p>
<p><i>NOT COVERED IN SURVEY</i></p>	<p>T - Activities of households as employers; undifferentiated goods and services producing activities of households for own use (97-98)</p> <p>U - Activities of extraterritorial organisations and bodies (99)</p> <p>Including households as employers of domestic personnel, private households producing goods for own use</p>

## 11.2 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) 2020 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.

Previous iterations of the ESS series have used SOC 2010 for analysis purposes. Where historical comparisons to previous waves have been included in this report, historical data has been re-analysed to SOC 2020 to enable comparability.

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

<b>Occupational group</b>	<b>Primary sectors (Primary Sector &amp; Utilities, Manufacturing, Construction)</b>	<b>Service sectors (Retail, Business, Finance, Transport, etc.)</b>	<b>Public sector (Public Admin, Health, Education, etc.)</b>
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, finance/investment analysts and advisers	Doctors, nurses, midwives, teachers, social workers, librarians, paramedics

Associate Professionals	Science and engineering technicians, IT technicians, accounting technicians	Insurance underwriters, writers/journalists, buyers, estate agents	Junior police/fire/prison officers, therapists, community workers, H&S officers, housing officers, early education and childcare practitioners
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, 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
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### **11.3 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% (the 'worst' case in terms of statistical reliability) and have used a 95% confidence level. Where the table indicates that a survey result based on all respondents has a sampling error of  $\pm 1.37\%$ , this should be interpreted as follows: 'for a question asked of all respondents where the survey result is 50%, we are 95% confident that the true figure lies within the range 48.63% to 51.37%'. 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%**

	<b>Population</b>	<b>Number of interviews</b>	<b>(Maximum) Sampling Error</b>
Wales	86,800	4,825	± 1.37
<b>By size</b>			
2 to 4	47,000	1,600	± 2.41
5 to 24	31,500	2,790	± 1.77
25 to 49	4,600	686	± 3.45
50 to 99	2,100	355	± 4.75
100 or more	1,700	174	± 7.04
<b>By sector</b>			
Primary Sector & Utilities	9,800	350	± 5.14
Manufacturing	4,300	371	± 4.86
Construction	8,700	388	± 4.86
Wholesale and Retail	16,300	1,116	± 2.83
Hotels and Restaurants	9,800	618	± 3.82
Transport and Storage	2,600	191	± 6.83
Information and Communications	2,000	110	± 9.09
Financial Services	1,200	85	± 10.27
Business Services	14,600	832	± 3.03
Public Administration	1,400	88	± 10.11
Education	2,800	379	± 4.68
Health and Social Work	6,900	693	± 3.53
Arts and Other Services	6,300	384	± 4.85

Source for population data is the ONS Inter-Departmental Register (IDBR). Populations have been rounded to the nearest 100.

## 11.4 Annex D: Survey population estimates

	<b>Wales</b>
Overall number of sites	86,800
With a vacancy	14,500
With a hard-to-fill vacancy	7,700
With a skill-shortage vacancy	5,300
With at least one skills gap	10,400
With at least one employee with more qualifications and skills than job role requires	28,800
Provided any training in the previous 12 months	52,400
Any on-the-job training	43,100
Any off-the-job training	34,400
Both on- and off-the-job training	25,000
Provided no training for staff	34,400
Provided training towards a nationally recognised qualification	24,300

*Base: All sites. Populations have been rounded to the nearest 100.*

## 11.5 Annex E: Base Sizes

### Unweighted base sizes for all sites, by nation, region, size and sector (2011 – 2024)

	2011	2013	2015	2017	2019	2022	2024
<b>Nation</b>							
Wales	5,958	5,996	6,027	5,913	6,773	4,825	5,605
England	74,156	75,255	75,129	71,527	70,217	59,486	8,639
Northern Ireland	3,921	4,014	4,019	3,973	4,023	3,400	3,388
Scotland	2,487	6,014	6,035	6,017	-	5,207	5,080
<b>Region</b>							
North Wales	1,420	1,580	1,528	1,584	1,666	1,193	1,350
Mid Wales	788	717	742	605	793	694	717
South East Wales	2,374	2,400	2,395	2,603	2,767	1,911	2,310
South West Wales	1,376	1,299	1,362	1,121	1,547	1,027	1,228
Mid / South West Wales	2,164	2,016	2,104	1,726	2,340	1,721	1,945
<b>Size</b>							
2 to 4	1,162	1,847	1,749	1,669	1,193	1,459	1,600
5 to 24	3,474	3,229	3,316	3,169	3,407	2,265	2,790
25 to 49	750	512	547	561	800	624	686
50 to 99	324	236	273	293	382	275	355
100 or more	248	172	142	221	271	202	143
<b>Sector</b>							
Primary Sector & Utilities	223	589	477	511	364	372	350
Manufacturing	467	401	417	419	466	322	371
Construction	498	467	405	481	401	322	388
Wholesale & Retail	1,062	1,109	1,203	958	1,442	1,010	1,116
Hotels & Restaurants	666	618	649	597	797	552	618
Transport & Storage	297	284	359	274	171	178	191
Information & Communications	138	135	167	168	141	76	110

	<b>2011</b>	<b>2013</b>	<b>2015</b>	<b>2017</b>	<b>2019</b>	<b>2022</b>	<b>2024</b>
Financial Services	173	127	108	154	109	58	85
Business Services	789	736	715	794	988	686	832
Public Administration	129	67	75	91	109	61	88
Education	391	394	361	375	463	299	379
Health & Social Work	571	602	617	603	825	580	693
Arts & Other Services	544	467	474	488	497	309	384

**Unweighted base sizes for all sites providing training, by nation, region and size  
(2011 – 2024)**

	2011	2013	2015	2017	2019	2022	2024
<b>Nation</b>							
Wales	4,653	4,277	4,356	4,283	4,940	3,421	4,014
England	56,713	57,787	57,422	55,775	51,203	41,406	6,087
Northern Ireland	2,903	2,894	2,869	2,893	2,906	2,428	2,388
Scotland	2,170	4,884	4,894	4,999	-	3,822	3,672
<b>Region</b>							
North	1,127	1,131	1,138	1,138	1,246	855	991
Mid	555	447	485	411	543	465	481
South East	1,924	1,793	1,783	1,915	2,046	1,389	1,678
South West	1,047	906	950	819	1,105	721	864
Mid & South West	1,602	1,353	1,435	1,230	1,648	1,177	1,345
<b>Size</b>							
2 to 4	579	858	825	748	914	628	695
5 to 24	2,818	2,537	2,607	2,516	2,651	1,781	2,211
25 to 49	703	484	523	529	747	567	618
50 to 99	310	230	263	276	366	259	325
100 or more	243	168	138	214	262	186	165

**Unweighted base sizes for all sites completing the Investment in Training study, by nation and size (2011 – 2024)**

	2011	2013	2015	2017	2019	2022	2024
<b>Nation</b>							
Wales	1,483	1,361	1,234	1,328	1,362	1,441	1,507
England	7,872	8,704	9,616	8,872	8,068	7,801	2,150
Northern Ireland	990	1,028	699	859	825	1,044	883
Scotland	682	1,429	1,065	1,407	-	1,546	1,395
<b>Size</b>							
2 to 4	232	271	226	251	261	257	249
5 to 24	914	854	778	819	770	776	844
25 to 49	199	146	146	152	186	266	239
50 to 99	83	58	61	69	87	102	115
100 or more	55	32	23	37	58	40	60

## 11.6 Annex F: References

[Office for National Statistics \(2025\) \*Regional labour productivity, UK: 2023\*](#) (Accessed 01 October 2025)

[Office for National Statistics \(2025\) \*UK Whole Economy: Output per hour worked, SA: Index 2022 = 100\*](#) (Accessed 01 October 2025)

[StatsWales \(2025\) \*Annual Population Survey: summary of economic activity\*](#) (Accessed 01 October 2025)