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Employer Skills Survey 2024

South West Wales Report

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.

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

For further information please contact:

Daniel Burley

Employability and Skills

Welsh Government

Cathays Park

Cardiff

CF10 3NQ

Email: KASEmployabilityandSkillsResearch@gov.wales

Table of contents

List of tables 4

List of figures 5

Glossary 6

1. Introduction 8

2. Recruitment and external challenges 10

3. The internal skills challenge 13

4. Training and workforce development 16

5. Apprenticeships 19

6. High performance working practices 20

7. Artificial Intelligence 22

8. Net Zero 23

9. Conclusions 24

List of tables

Table 4-1 Proportion of employers that trained staff and the proportion of staff trained over the previous 12 months in Wales and the Welsh regions, 2015 to 2024 17

List of figures

Figure 2-1 Incidence, density and volume of skill-shortage vacancies in South West Wales, 2013 to 2024 11

Figure 3-1 Incidence, density and volume of skills gaps in South West Wales, 2013 to 2024 13

Figure 6-1 Prevalence of High Performance Working Practices, 2022 to 2024..... 21

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.

Occupations

Occupational definitions are based on Standard Occupational Classification (SOC) 2020 codes.

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.

1. Introduction

1.1 Background

This document provides a summary of key findings among employers in South West Wales from the Welsh Government and Department for Education's Employer Skills Survey (ESS 2024), a large survey of employers which provides a definitive picture of the extent, nature and impact of skills challenges faced by employers.[1]

From 2010 to 2017, ESS sat alongside the Employer Perspectives Survey (EPS) to produce insights that complemented each other. The focus on EPS was primarily outward-looking, covering provision of and engagement with the wider skills system, while ESS was more inward-looking, assessing the current skills position and skills needs of employers. Since the 2019 survey, the EPS content has been incorporated into ESS (i.e., this is the second ESS in the series to include questions formerly asked in EPS).

1.2 Methodology

The ESS 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 - Artificial Intelligence usage and Net Zero plans. The survey population comprised individual sites with at least two employees on the payroll, meaning sole traders were excluded. The population covered employers from all sectors of the economy (private, public and third sector).

The sampling unit was at a site level, rather than at an organisation / company level. This is 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. Market Location, a commercial provider of employer contact details, was used as the principal sample source for ESS 2024, supplemented with 'top up' sample ordered directly from the ONS Inter-Departmental Business Register (IDBR).

Telephone interviews were conducted between June 2024 and January 2025. A total of 1,228 interviews were achieved with employers in South West Wales from 5,605 achieved across Wales overall. Data was collected via Computer-Assisted

[1] The principal areas of Wales included in the 'South West Wales' definition are: Pembrokeshire, Carmarthenshire, Swansea and Neath Port Talbot.

Telephone Interviewing (CATI). Employers were offered the option to be interviewed in Welsh or English.

For further information on the survey methodology, please refer to the accompanying Technical Report or the full Wales report.

1.3 Reporting conventions

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

The survey population is UK employers with employment of two or more; this means employers 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 comparisons referred to in the report commentary are statistically significant at the 95% level of confidence. This applies to comparisons between survey subgroups, such as region, size and sector, and also to differences over time. In some places, the highest or lowest subgroups are reported to give an indication of range, however this does not suggest statistical significance.

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.

2. Recruitment and external challenges

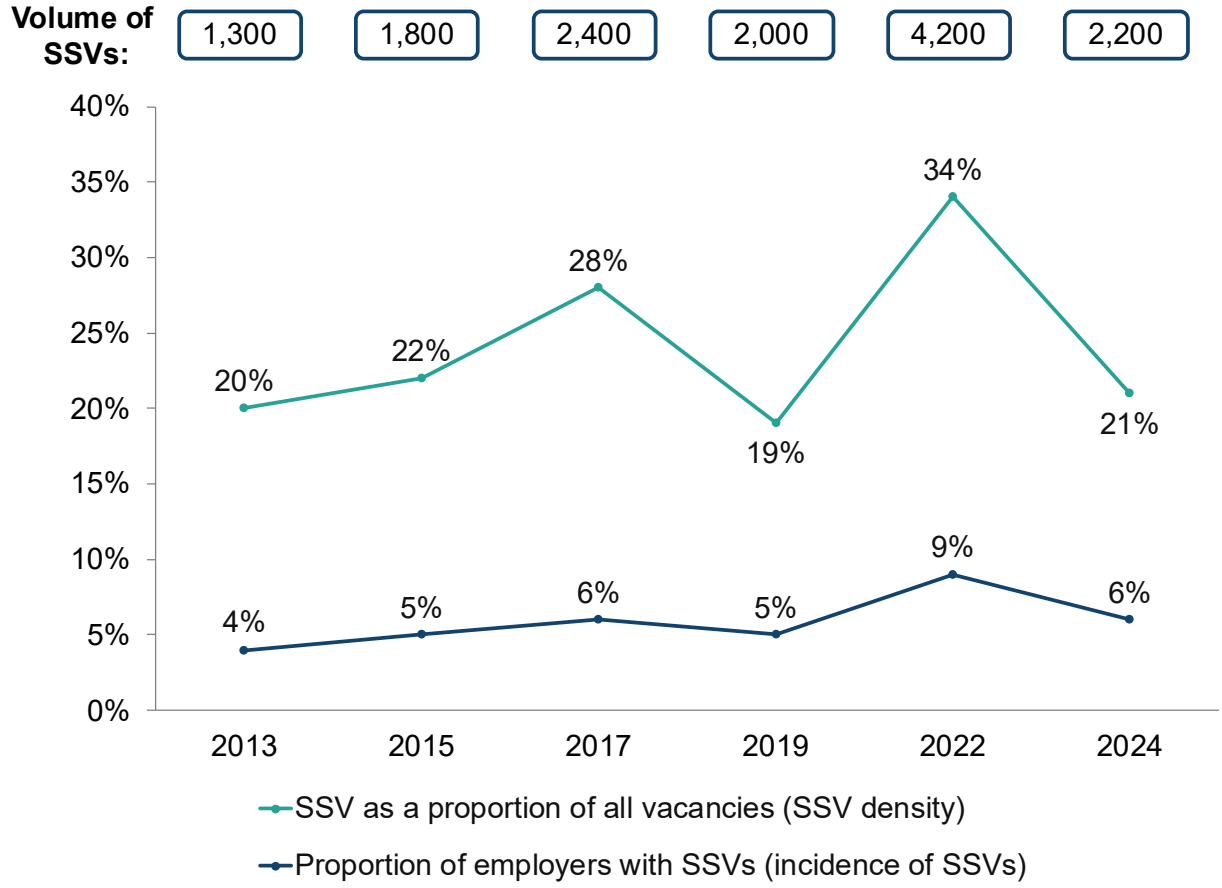
Around 1 in 6 employers (16%) in South West Wales had vacancies at the time of the survey, which was in line with the proportion across Wales overall (17%). The proportion of employers with vacancies in South West Wales had decreased compared with 2022 (22%).

When considering vacancies as a proportion of employment (vacancy density), there was around one vacancy for every 25 employees in South West Wales (3.8%), higher than the proportion in Wales overall (2.8%). Vacancy density in South West Wales was not significantly different when compared with 2022 (4.5%). The volume of vacancies in South West Wales decreased from 12,100 in 2022 to 10,400 in 2024.

Although the majority of vacancies were not proving hard to fill due to shortages of applicants with the required skills, qualifications or experience, difficulties recruiting employees due to skill-shortages can be a significant problem for employers. A small minority (6%) of employers in South West Wales reported having vacancies as a result of skill-shortages in applicants, (skill-shortage vacancies, or ‘SSVs’), in line with the result for Wales overall (6%). However, the incidence of SSVs in South West Wales was lower when compared with 2022 (6% vs. 9% in 2022), as was the case in each Welsh region and the nation as a whole.

Around a fifth (21%) of vacancies were SSVs in South West Wales, which was notably lower than the figure for Wales overall (28%). The density of SSVs in South West Wales in 2024 decreased from 34% in 2022. There were around half the number of SSVs in South West Wales in 2024 (2,200) when compared with 2022 (4,200). A breakdown of the incidence, density and volume of SSVs in South West Wales over time can be seen in Figure 2-1.

Figure 2-1 Incidence, density and volume of skill-shortage vacancies in South West Wales, 2013 to 2024



Description of Figure 2-1: Line chart showing the incidence and density of SSVs over the 2013 to 2024 period, with text boxes showing the volume of SSVs over this period. Incidence and volume figures have remained largely consistent between 2015 and 2024, aside from a notable increase in both measures in 2022. SSV density saw notable fluctuations between 2017 and 2024, with a decrease between 2022 and 2024. Base: All sites in South West Wales (2013: 1,299; 2015: 1,362; 2017: 1,121; 2019: 1,547; 2022: 1,027; 2024: 1,228).

The most common skill reported to be lacking among applicants to SSVs in South West Wales, as in 2019 and 2022, was specialist skills or knowledge needed to perform the role (contributing to 76% of SSVs), followed by time management (59%), an inability to solve complex problems (54%) and a knowledge of products and services (50%). When looking at changes since 2022, the proportion of SSVs affected by skills lacking among applicants which related to instructing, training and teaching people saw the most notable increase, from 11% in 2022 to 42% in 2024. Similarly, there were large increases in the reported proportion of SSVs affected by a lack of the following skills: solving complex problems (54% in 2024 vs. 28% in 2022),

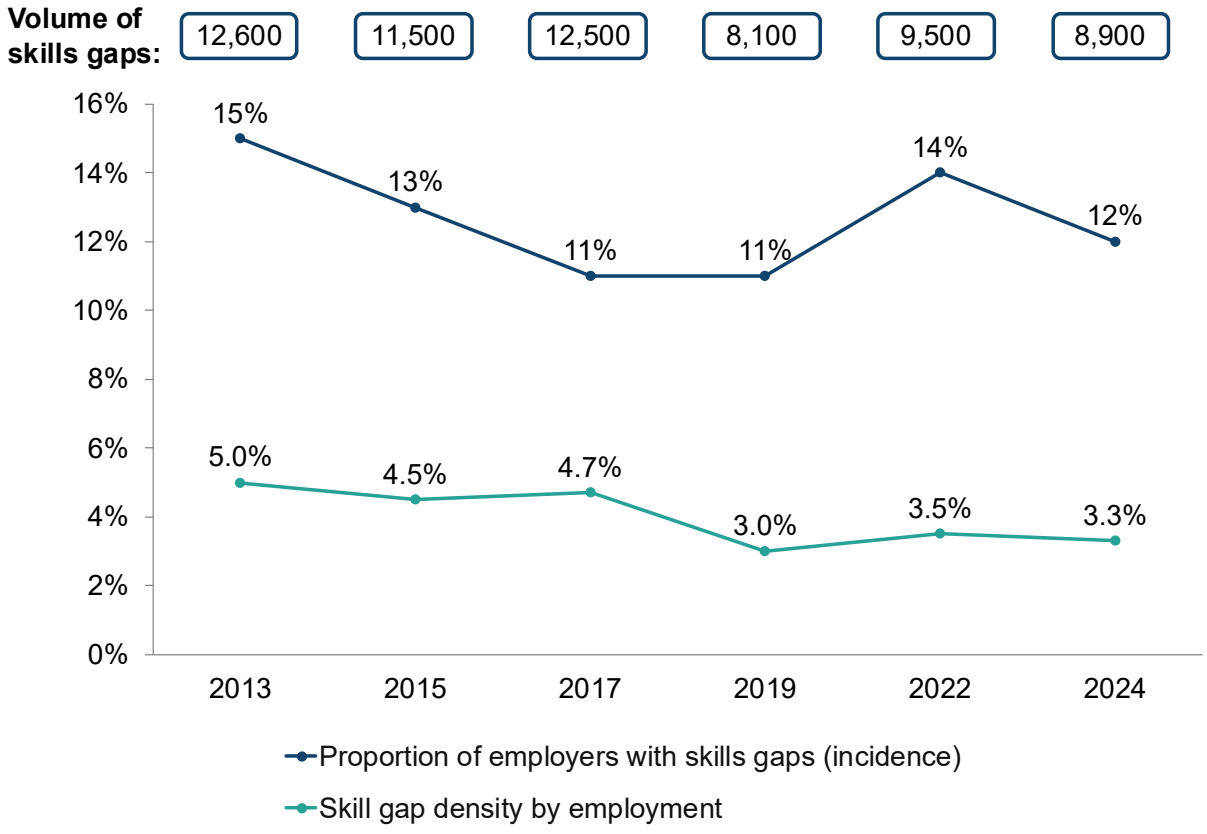
managing time and task prioritisation (59% vs. 33%), and teamworking (48% vs. 23%).

By far the most commonly reported detrimental impact of SSVs, as in previous years, was increased workloads for existing employees (91%). This was also the most cited impact in Wales overall (90%). Other reported impacts included increased difficulties meeting customer service objectives (53%), increased operating costs (51%) and delays developing new products or services (47%).

3. The internal skills challenge

Overall, 12% of sites in South West Wales reported that they had skills gaps (i.e. at least one member of staff not fully proficient in their role), similar to 2022 (14%). The proportion in South West Wales was higher than Mid Wales (8%) but in line with Wales overall (also 12%). The proportion of the workforce in South West Wales not considered fully proficient (3.3%) was broadly in line with other regions in Wales, with the exception of South East Wales (4.5%). The volume of staff with skills gaps returned to the level seen in 2019 (8,100 in 2019 and 8,900 in 2024) after an increase in 2022 (9,500). A breakdown of the incidence, density and volume of skills gaps in South West Wales over time can be seen in Figure 3-1.

Figure 3-2 Incidence, density and volume of skills gaps in South West Wales, 2013 to 2024



Description of Figure 3-1: Line chart showing the incidence and density of skills gaps over the 2013 to 2024 period, with text boxes showing the volume of skills gaps in each year. Skills gap density has gradually decreased from 2013 levels, while volume figures are lower than the period 2013 to 2017. The incidence of skills gaps has not changed significantly in recent years, although the 2024 figure is most closely in line with 2017 and 2019. Base: All sites in South West Wales (2013: 1,299; 2015: 1,362; 2017: 1,121; 2019: 1,547; 2022: 1,027; 2024: 1,228).

Most (84%) skills gaps were caused in part by factors that can be considered 'transient' causes – causes that will naturally ease over time, such as being new to the role or training only being partially completed. This was consistent with 2022 (85%). Around 1 in 3 skills gaps (33%) were entirely due to transient causes, an increase compared with 2022 (23%). Being new to the role contributed to 71% of skills gaps, while training only being partially completed contributed to 57%. These were also the two most common causes of skills gaps in 2022 (70% and 62% respectively).

The skills most commonly reported to be lacking and contributing to skills gaps in South West Wales were those related to time management (contributing to 73% of skills gaps) and team working (52%). The most common technical and practical skill lacking was specialist skills and knowledge required to perform the role (48%). Compared with 2022, skills gaps were less likely to be affected by a lack of broad digital skills (24% vs. 39% in 2022) and broad technical and practical skills (81% vs. 88%). Conversely, broad people and personal skills were lacking to a greater extent (90% vs. 80% in 2022), as were self-management skills (76% vs. 66%).

When looking at the impact of SSVs, the most common implication of skills gaps reported was increased workloads for other staff (50%), in line with Wales overall (50%). This was also the most commonly reported impact in 2022 (58%).

Overall, 37% of employers had staff with qualifications and skills more advanced than required for their current jobs. This was consistent with the overall Wales result (33%). The proportion of staff who were under-utilised in South West Wales was 6.0%, lower than the 9.8% across Wales as a whole.

Around 3 in 10 employers (32%) in South West Wales had provided some form of work placement in the last 12 months, a similar proportion to 2022 (29%). This was also consistent with other regions in Wales in 2024. Work placements in South West Wales were most commonly offered to people in education (21%); 10% offered placements to people at school, 11% offered them to people at college, while 7% offered them to people at university.

Most employers offering some form of work placements reported doing so for altruistic reasons (70%), with giving people experience (53%) and moral reasons / benefitting young people (16%) being the most commonly cited altruistic reasons.

Among those that did not offer work placements or other work-related experiences, the most commonly reported reasons for not doing so were structural reasons (67%), including not having suitable roles (24%).

4. Training and workforce development

Under 6 in 10 (57%) employers in South West Wales arranged or funded training for their staff in the last 12 months. This was higher than Mid Wales employers (52%) but lower than the overall proportion across Wales (60%). On-the-job training was more commonly offered than off-the-job training in South West Wales (47% compared to 38%); the proportion offering on-the job training in 2022 was similar (50%), as was the proportion offering off-the-job training (35%).

The proportion of staff that received training in the last 12 months in South West Wales was 61%. This did not mark a significant change when compared with 2022 (63%).

Among those that had not provided training in the last 12 months or so, the stand out reason for not doing so, as was the case across Wales, was that staff were already considered to be fully proficient (71%), a similar proportion to 2022 (72%).

Table 4-1 Proportion of employers that trained staff and the proportion of staff trained over the previous 12 months in Wales and the Welsh regions, 2015 to 2024

	Employers that train (%) 2015	Staff trained (%) 2015	Employers that train (%) 2017	Staff trained (%) 2017	Employers that train (%) 2019	Staff trained (%) 2019	Employers that train (%) 2022	Staff trained (%) 2022	Employers that train (%) 2024	Staff trained (%) 2024
Wales	**63%**	**64%**	**62%**	**58%**	**62%**	**65%**	**60%**	**63%**	**60%**	**64%**
South West Wales	61%	63%	64%	56%	61%	64%	59%	63%	57%	61%
South East Wales	66%	65%	62%	58%	64%	65%	63%	61%	64%	64%
North Wales	66%	60%	61%	55%	63%	68%	59%	65%	61%	66%
Mid Wales	54%	71%	58%	67%	58%	57%	49%	61%	52%	67%
Mid / South West	59%	65%	62%	59%	60%	62%	55%	63%	55%	63%

Base: All sites in Wales in 2024 (5,605); All sites in South West Wales in 2024 (1,228). Other base sizes are shown Annex A.

Overall 167,000 staff were trained in South West Wales, for a total of 882,000 training days in the past 12 months. This equated to 5.3 training days per person trained per year ('per trainee'), and 3.2 days per employee (compared to 6.6 days per trainee and 4.2 days per employee in Wales overall). The results were in line with 2022 levels, when 5.7 training days were provided per trainee per year and 3.6 days per employee per year.

The most common type of training offered to employees by employers that provided training was job specific training (84%) followed by health and safety or first aid training (75%) and basic induction training for new staff (66%).

Nearly 6 in 10 (58%) employers reported that they were in 'training equilibrium', meaning they undertook the amount of training over the previous 12 months that they wanted, which was in line with the overall Wales average (57%). This meant that 42% of employers wanted to deliver more training than they had done over the last 12 months.

5. Apprenticeships

A minority (8%) of employers had apprentices as employees at the time of the survey, while 7% offered apprenticeships but did not have any apprentices; overall, around 1 in 6 (15%) employers in South West Wales had apprentices or offered apprenticeships, in line with 2022 (16%).

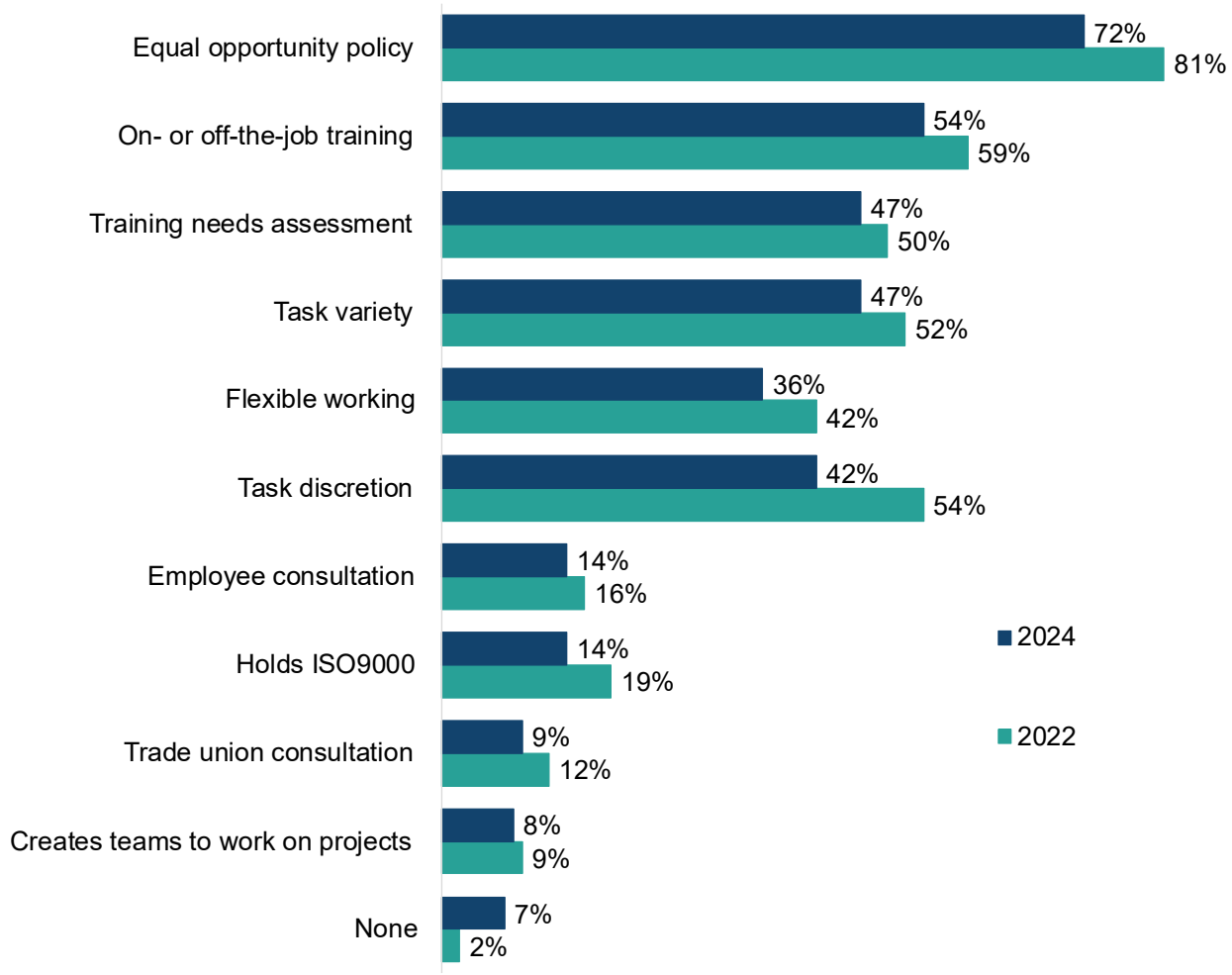
Just under a quarter (24%) of employers in South West Wales planned to offer apprenticeships in the future. This was a notably lower proportion than in 2022 (37%), a decrease that was reflected across Wales and the rest of the UK.

6. High performance working practices

A minority (5%) of employers in South West Wales were classed as High Performance Working (HPW) employers, meaning they adopted 7 out of the 10 High Performance Working practices that were included in the survey. This was in line with the proportion of HPW employers across Wales as a whole (6%).

The most common HPW practice implemented by employers was having an equal opportunity policy (72%, however this was lower than 78% in Wales overall) followed by on- or off-the-job training (54%) and task variety and training needs assessments (both 47%). Some HPW practices were less prevalent when compared with 2022; employers were less likely to have equal opportunities policies (72% in 2024 vs. 81% in 2022) and offer task discretion (42% vs. 54%). Figure 6-1 outlines the prevalence of HPW practices in 2022 and 2024.

Figure 6-3 Prevalence of High Performance Working Practices, 2022 to 2024



Description of Figure 6-1: Bar chart showing the prevalence of high performance working practices among employers in South West Wales over the period 2022 to 2024. In both years, having an equal opportunity policy was the most common HPW practice. Base: All sites in South West Wales in Module D: 2024: 283; 2022: 232.

7. Artificial Intelligence

In order to understand how employers are engaging with Artificial Intelligence (AI), new questions were introduced in the 2024 survey which asked employers about their use of AI.

Around 1 in 9 (11%) employers in South West Wales said their site currently uses AI. This was in line with results across Wales as a whole (12%).

Among those sites currently using AI, 7 in 10 (71%) had started using it in the past 12 months, around 1 in 7 (15%) had been using it for 1 to 3 years, while around 1 in 10 (11%) had been using it for more than 3 years. Most (86%) said they would be embedding AI into their site's processes and operations to at least some extent over the next 3 years, a proportion consistent across Wales.

Of those sites not using AI, most (81%) had no plans to adopt it, which was in line with Wales overall (80%).

8. Net Zero

A new question was asked in the 2024 survey concerning the employer's 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.

Employers in South West Wales were asked whether they had a Net Zero strategy in place. Overall, around 1 in 8 employers (13%) had a Net Zero strategy in place, while a further 5% said they were already at Net Zero. This was higher than the overall Welsh average of 3%. Around 1 in 5 employers (18%) did not have a strategy in place currently but were planning to do so. Over two fifths (43%) of employers had no plans to become Net Zero, though a sizeable proportion (21%) were also unsure about their site's Net Zero plans.

9. Conclusions

ESS 2024 shows that vacancies have decreased in South West Wales when compared with 2022, reflecting a cooling labour market across Wales and the UK as a whole. Around 1 in 5 (21%) vacancies in South West Wales were skill-shortage vacancies (SSVs), down from roughly a third (34%) in 2022, and the lowest proportion in Wales overall in 2024. The most common skills reported as lacking among applicants were the specialist skills or knowledge required to perform job roles, time management and task prioritisation skills, and complex problem-solving abilities. Increased workloads for existing staff remain the most frequently reported impact of SSVs.

Skills gaps within the workforce remained at similar levels to previous years. Around 1 in 8 (12%) employers reported having skills gaps within their workforce. Most skills gaps were caused by transient factors such as new hires or incomplete training, but deficiencies in time management and task prioritisation, teamwork, and technical expertise were commonly reported. Digital skills gaps had decreased since 2022, while self-management and broader people and personal skills were more frequently reported as lacking.

Training activity was consistent with 2022. Around 6 in 10 (57%) employers in South West Wales reported providing training in the past year, with this mainly being job-specific and health and safety or first aid training. The average number of training days per employee remained similar to 2022 (3.2 in 2024 vs. 3.6 in 2022).

Around 1 in 6 (15%) employers in South West Wales said they currently had apprentices or offered apprenticeships at the time of survey, while just under a quarter (24%) planned to offer them in the future, down from 37% in 2022.

A small minority of employers in South West Wales (5%) were classed as High Performance Working (HPW) employers. Around 1 in 10 employers (11%) reported that they currently use Artificial Intelligence, while around 1 in 8 employers (13%) had a formal Net Zero plan in place (a further 5% were already at Net Zero).

Key findings

	South West Wales 2019	South West Wales 2022	South West Wales 2024	Wales 2019	Wales 2022	Wales 2024
Vacancies and skill-shortage vacancies (SSVs)						
% of sites with any vacancies	14%	22%	16%	15%	22%	17%
% of sites with any hard-to-fill vacancies	6%	15%	9%	7%	15%	9%
% of sites with SSVs	5%	9%	6%	5%	10%	6%
% of all vacancies that are SSVs	19%	34%	21%	24%	35%	28%
Number of vacancies	10,500	12,100	10,400	40,800	58,900	35,700
Number of skill-shortage vacancies	2,000	4,200	2,200	9,800	20,600	10,100
Skills gaps						
% of sites with any staff not fully proficient	11%	14%	12%	13%	14%	12%
Number of staff not fully proficient	8,100	9,500	8,900	50,900	51,500	50,400
% of staff not fully proficient	3.0%	3.5%	3.3%	4.0%	4.1%	3.9%
Training						
% of sites training any staff over the last 12 months	61%	59%	57%	62%	60%	60%
% of sites providing off-the-job training in the last 12 months	43%	35%	38%	45%	36%	40%
% of workforce trained	64%	63%	61%	65%	63%	64%
Total days training	0.9m	1.0m	0.9m	4.2m	5.3m	5.4m
Training days per trainee	5.4	5.7	5.3	5.1	6.8	6.6
Training days per employee	3.4	3.6	3.2	3.3	4.2	4.2
Apprenticeships						
% of employers who currently had apprentices on site or offered apprenticeships	15%	16%	15%	16%	17%	16%

% of employers planning to offer apprenticeships in the future	28%	37%	24%	27%	35%	24%

Annex A: Base Sizes

Unweighted base sizes for all sites in Wales (2013 – 2024)

	2013	2015	2017	2019	2022	2024
Wales	**5,996**	**6,027**	**5,913**	**6,773**	**4,825**	**5,605**
Region						
North Wales	1,580	1,528	1,584	1,666	1,193	1,350
Mid Wales	717	742	605	793	694	717
South East Wales	2,400	2,395	2,603	2,767	1,911	2,310
South West Wales	1,299	1,362	1,121	1,547	1,027	1,228
Mid / South West Wales	2,016	2,104	1,726	2,340	1,721	1,945