

**Future Skills Wales –
Generic Skills Survey 2003**

SkillsActive

**Arolwg Cyflogwyr Sgiliau Generig
Sgiliau Dyfodol Cymru 2003**

SSC 'SkillsActive'

Future Skills Wales 2003 Generic Skills Survey of Employers: SkillsActive SSC

Section 1 Introduction

1.1 Background to the Future Skills Wales survey

Future Skills Wales 2003 Generic Skills Survey is a study comprising an Employer Survey and Household Survey, auditing the skill needs of employers in Wales and the skills offered by the people who live there.

MORI and Experian Business Strategies undertook the Employer Survey on behalf of the Future Skills Wales Partnership. The Partnership includes representatives from key policy makers in Wales including the Skills for Business Network.

The purpose of the Future Skills Wales 2003 Generic Skills Survey is to assist the Partnership in developing policy and planning service delivery provision. The Employer Survey and Household Survey identify skill needs as well as the demands for learning and training amongst employers and the working age population in Wales. Information on attitudes and perceptions will help agencies to remove barriers to training and to encourage people to upskill to take on emerging job opportunities. The findings will also inform business and individuals in their recruitment and employment decisions.

The surveys focus on generic skills, those skills that are transferable across occupational groups and sectors. Skills that are job specific, in that they are peculiar to the role and sector in which an individual is engaged, are not dealt with in the Future Skills Wales Generic Skills Survey 2003, but this is a key area where the Sector Skills Councils (SSCs) can and do enhance knowledge of skill needs in their sector.

This brief report provides an overview of the results from the Employer Survey for the SkillsActive sector. It is thus an important output in that it informs us of the particular generic skill needs and deficiencies of the sector within Wales and enables comparison to the situation in Wales as a whole.

1.2 Survey methodology

6,020 establishments were interviewed between February and April 2003¹ and a total of 139 interviews were conducted with employers in the SkillsActive sector.

¹ The timing of the survey is likely to mean that the size of the SkillsActive sector in Wales has been understated because of the seasonal nature of some activities in the sector.

All sectors in the economy were included and employers with at least one person in employment were included (i.e. at least two people working in an establishment).

The sample was drawn from the Yellow Pages Business Database. The total target number of achieved interviews was 6,000. This was distributed proportionately by establishments², across the 22 Welsh Unitary Authorities (UAs). A minimum target of 200 interviews was set for each UA. Within UA the sample was drawn proportionately by employee size bands (2-10; 11-24; 25-99; and 100+) and industry sector (15 SIC Sections) based on unit data from the Annual Business Inquiry (ABI) 2001. The valid response rate was 51 per cent.

The data have been weighted by UA, number of employees and SIC using 2001 Annual Business Inquiry data. Two weighting options have been applied:

- *Number of business units;*
- *Number of employees.*

It should be noted that the data have not been sampled or weighted to SSCs definitions and so the results, especially where there are fewer interviews should be treated with some caution. No results are presented in this report where the base number of interviews on which the data is based falls below 50.

1.3 Defining the Sector Skills Council

As the data was coded to 4-digit SIC code, it is possible to analyse the data as it fits to SSCs. The SkillsActive SSC covers employers in fitness and leisure industries and the 'best fit' of SIC codes to this sector (55.22; 92.33³; 92.6) has been used to analyse the data presented within this report.

1.4 Sample Size for the sector

A total of 139 interviews were conducted with establishments in the SkillsActive SSC.

1.5 Reporting Conventions

It is worth noting at this stage that the report contains many tables and standard reporting conventions have been used:

- all percentages have been rounded to whole numbers. This may mean on occasion that percentages do not sum to 100 per cent; and
- a '*' indicates that the value is less than 0.5 per cent.

² Based on profile data (number of units) from the Annual Business Inquiry 2001.

³ Since the survey was conducted, 92.33 (the Operation of Mechanical Rides) is no longer part of the SkillsActive footprint.

Report outline

The following section of the report considers the current and likely future skills needed by employers. Section 3 considers recruitment difficulties and skills shortage vacancies while section 4 examines internal skill deficiencies in establishments in the sector. Section 5 explores what the survey tells us about training activity and barriers to training experienced by employers.

Section 2 Skill Needs

2.1 Skills required now and in the next three years

The survey asks employers to consider the type of skills required now in their establishments and the level at which that skill is required. The results for the SkillsActive sector are shown in the table below. Understanding customer needs and Team working are the skills required at the highest levels in the SkillsActive sector.

Table 2.1 Current levels of skills required

	Current levels of skill needs					
	Level (% of establishments)					
	Not required (0)	Basic (1)	Intermediate (2)	High (3)	Advanced (4)	Don't Know
Numeracy	8	23	37	23	9	0
Literacy	8	14	37	34	7	0
Welsh language	56	21	14	8	1	0
Foreign language	84	12	2	2	0	0
Problem solving	3	20	38	29	10	0
Communication	1	8	25	45	21	0
Ability to follow instructions	0	13	26	48	14	0
IT skills	28	25	29	11	6	0
Ability to learn	1	15	36	37	10	1
Showing initiative	1	10	25	48	17	0
Leadership skills	9	11	28	43	9	0
Management skills	19	15	28	32	7	0
Organising own learning and development	13	16	36	25	10	0
Team working	1	6	22	48	23	0
Understanding customer needs	1	8	16	51	24	0
Entrepreneurial skills	35	17	29	16	4	0
Adaptability/flexibility	0	6	30	49	15	0
Weighted base = 139 (all establishments)						
<i>Source: Future Skills Wales 2003 Generic Skills Survey</i>						

Looking to the future, employers in the sector in Wales expect to need slightly higher levels of all generic skill types in 3 years.

Table 2.2 Expected levels of skill needs in three years

Expected levels of skill needs in three years						
	Level (% of establishments)					Don't Know
	Not required (0)	Basic (1)	Intermediate (2)	High (3)	Advanced (4)	
Numeracy	10	18	32	27	13	0
Literacy	6	13	33	37	11	0
Welsh language	48	22	20	8	2	0
Foreign language	78	15	5	3	0	0
Problem solving	2	18	37	29	15	0
Communication	1	6	22	46	25	0
Ability to follow instructions	0	10	21	48	21	0
IT skills	20	17	28	21	12	1
Ability to learn	1	11	25	44	18	1
Showing initiative	1	5	28	43	23	0
Leadership skills	8	8	25	41	19	0
Management skills	17	12	23	39	10	0
Organising own learning and development	11	12	34	32	11	0
Team working	2	5	14	51	29	0
Understanding customer needs	1	6	8	54	31	0
Entrepreneurial skills	33	15	25	19	8	0
Adaptability/flexibility	0	5	24	50	21	0
Weighted base = 139 (all establishments)						
<i>Source: Future Skills Wales 2003 Generic Skills Survey</i>						

Section 3

Recruitment Difficulties and Skills shortage vacancies

In the survey, there are two measures of recruitment problems:

- Hard-to-fill vacancies – vacancies that establishments understand to be hard-to-fill
- Skills shortage vacancies – vacancies that establishments believe are difficult to fill for skills related reasons. Specifically defined in this survey as being hard-to-fill because ‘applicants lack the qualifications employers want’, ‘applicants lack the relevant experience’ and ‘applicants lack the relevant skills we require’.

3.1 Extent of Vacancies, hard-to-fill vacancies and skills shortage vacancies

14 per cent of establishments in the SkillsActive SSC sector reported at least one vacancy at the time of the survey, 6 per cent of establishments reported that they had hard-to-fill vacancies at the time of the survey and 1 per cent reported skills shortage vacancies, that is vacancies that were hard-to-fill for skill related reasons.

The proportion of employers reporting all types of vacancy is lower than in Wales as a whole.

When considered as a proportion of employment, vacancies in the SkillsActive SSC represent 2.9 per cent of employment, compared to 2 per cent in Wales as a whole, though the concentration of hard-to-fill vacancies is comparable.

Table 3.1 Extent of Vacancies, hard-to-fill vacancies and skills shortage vacancies

	Wales		SkillsActive SSC	
	<i>% of establishments reporting</i>	<i>% of employment</i>	<i>% of establishments reporting</i>	<i>% of employment</i>
All vacancies	22	2.0	14	2.9
Hard-to-fill vacancies	14	1.1	6	1.1
Skills shortage vacancies	7	0.5	1	NA
Unweighted base	6,020	6,020	139	139

*Source: Future Skills Wales 2003 Generic Skills Survey
Base: All establishments*

Section 4 Internal Skills gaps

Employers were also asked about the level of skills amongst their current employees to find out whether there was a gap between the types of skills they currently have and those they need to meet the business's objectives.

Whereas vacancies, hard-to-fill vacancies and skills shortage vacancies measure whether there are imbalances in the external labour market, skills gaps measure the imbalances within the organisation.

Almost a fifth of employers in the sector report such gaps (18 per cent), affecting almost 12 per cent of employees. This latter figure is above the Wales average of 5 per cent and suggests a greater concentration of skills gaps in the sector.

Table 4.1 Incidence of skills gaps

	<i>% of establishments reporting skills gap</i>	<i>Skills gaps as percentage of employment</i>	<i>Unweighted base</i>
Wales	19	5.1	6,020
SkillsActive	18	11.8	139

Source: Future Skills Wales 2003 Generic Skills Survey

Base: All establishments

Section 5

Action Taken by Employers in Developing their Workforce

This section considers the extent of training in the sector and the barriers employers face in providing training.

54 per cent of establishments in the SkillsActive SSC sector funded or arranged off-the-job training in the past 12 months, this is similar to the all Wales figure of 53 per cent. Investment in training in the sector has remained fairly constant over the last three years with 52 per cent of establishments reporting that levels of investment in off-the-job training are about the same as three years ago; investment has increased in 33 per cent of establishments, but decreased in less than 1 per cent.

Employers in the sector are more likely, than in Wales as a whole, to say that they do not face barriers to the amount of training undertaken. The cost of training and the cost in allowing staff time off for training were the most frequently cited barriers.

Table 5.1 Barriers to training

<i>Multiple response</i>	Wales %	SkillsActive %
Cost of training	26	28
Training not available	6	4
Time of day courses are run	8	6
Cannot afford staff to have time off	31	30
Training not relevant to needs of business	6	5
No barriers	32	25
Unweighted base	6,020	139

Source: Future Skills Wales Generic Skills Survey 2003

Base: All establishments

Employers were also asked about their attitude toward skills and skill development in their establishments. In the SkillsActive sector 93 per cent of establishments agreed (strongly or tended to agree) that employees have sufficient skills to meet business needs; 78 per cent that investment in skills has yielded business benefits and 94 per cent that having a skilled workforce is crucial to the success of their business. This compares to results for all Wales of 88 per cent, 77 per cent and 95 per cent respectively.

Summary

Whilst establishments in the SkillsActive sector are less likely to report vacancies, this may be due to the timing of fieldwork and the seasonal nature of activity in parts of the sector. However, a higher proportion of employees were affected by a skills gap than in all sectors in Wales and there is evidence of levels of generic skills being required at a higher level over the next three years. Further research may be required to explore the nature of these skills gaps and to ensure provision can meet these skill needs.