

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

SummitSkills

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

SSC 'SgiliauSummit'

Future Skills Wales 2003 Generic Skills Survey of Employers: SummitSkills 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 SummitSkills 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 2003 and a total of 132 interviews were conducted with establishments in the SummitSkills sector.

All sectors in the economy were included and establishments 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 establishments¹, 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%.

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 SummitSkills SSC covers employers in the building services engineering sector (electro-technical, heating, ventilating, air conditioning, refrigeration and plumbing). The 'best fit' of SIC codes to this sector (31.1; 31.62; 33.3; 45.31; 45.33; 52.72) has been used to analyse the data presented within this report.

1.4 Sample Size for the sector

A total of 132 interviews were conducted with establishments in the SummitSkills 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;

¹ Based on profile data (number of units) from the Annual Business Inquiry 2001.

1.6 Report outline

The following section of the report considers the current and likely future skills needed by employers. Section 3 considers recruitment difficulties and skill 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 establishment and the level at which that skill is required. The results for the SummitSkills sector are shown in the table below. Overall employers in the sector require the ability to follow instructions, showing initiative, understanding customer need and team working skills at the highest levels.

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	3	9	14	60	15	0
Literacy	3	12	19	50	17	0
Welsh language	77	7	7	9	1	0
Foreign language	93	5	1	1	0	0
Problem solving	3	9	15	56	18	0
Communication	1	7	20	58	14	0
Ability to follow instructions	1	3	14	59	22	1
IT skills	22	13	26	33	5	0
Ability to learn	1	4	17	62	16	0
Showing initiative	0	4	16	61	20	0
Leadership skills	8	6	27	46	13	0
Management skills	23	8	26	34	9	0
Organising own learning and development	8	10	29	47	6	0
Team working	1	7	13	69	11	0
Understanding customer needs	0	3	11	58	28	0
Entrepreneurial skills	28	17	26	23	7	0
Adaptability/flexibility	0	6	16	59	18	0
Weighted base = 132 (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 communication, and leadership skills 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	3	7	15	51	24	0
Literacy	3	12	16	50	21	0
Welsh language	70	10	11	10	0	0
Foreign language	89	5	3	3	0	0
Problem solving	3	6	14	50	26	1
Communication	1	6	14	60	19	0
Ability to follow instructions	1	3	14	58	24	1
IT skills	19	8	25	35	14	0
Ability to learn	1	3	16	59	20	1
Showing initiative	0	4	11	60	25	0
Leadership skills	5	5	23	48	18	2
Management skills	21	5	27	33	14	1
Organising own learning and development	8	7	24	51	10	2
Team working	1	4	14	65	16	0
Understanding customer needs	0	3	10	53	34	1
Entrepreneurial skills	29	14	26	21	10	1
Adaptability/flexibility	0	5	11	59	24	0
Weighted base = 132 (all establishments)						
<i>Source: Future Skills Wales 2003 Generic Skills Survey</i>						

Section 3

Recruitment Difficulties and Skill 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 skill shortage vacancies

Almost one in eight (14% per cent) of establishments in the SummitSkills SSC sector reported at least one vacancy at the time of the survey. 13 per cent of establishments reported that they had hard-to-fill vacancies at the time of the survey and 10 per cent reported skill shortage vacancies, that is vacancies that were hard-to-fill for skill related reasons.

The proportion of establishments reporting vacancies and hard-to-fill vacancies is lower than in Wales as a whole (22 per cent and 14 per cent respectively) but the proportion reporting skill shortage vacancies is above the Wales figure of seven per cent. This suggests that vacancies are much more likely to be hard-to-fill because employers cannot find the skills they need in the SummitSkills sector than in Wales as a whole.

When considered as a proportion of employment, vacancies in the SummitSkills SSC represent 2.6 per cent of employment, compared to two per cent in Wales as a whole. Similarly, hard-to-fill vacancies represent 2.3 per cent of employment in the sector compared to 1.1 per cent in Wales as a whole. Similar data for skill shortage vacancies are not available due to low base sizes.

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

	Wales		SummitSkills SSC	
	% of establishments reporting	% of employment	% of establishments reporting	% of employment
All vacancies	22	2.0	14	2.6
Hard-to-fill vacancies	14	1.1	13	2.3
Skill shortage vacancies	7	0.5	10	NA
Unweighted base	6,020	6,020	132	132

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

Section 4 Internal Skill 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 skill shortage vacancies measure whether there are imbalances in the external labour market, skill gaps measure the imbalances within the organisation.

Almost three out of every ten establishments in the SummitSkills sector reported such gaps. This is far higher than the overall proportion across Wales. This greater concentration of such problems is further evidenced by the proportion of employees who do not have the required skills – around 13 per cent compared to 5 per cent in Wales as a whole.

Table 4.1 Incidence of skills gaps

	<i>% of ests reporting skills gap</i>	<i>Skill gaps as percentage of employment</i>	<i>Unwtd base</i>
Wales	19	5.1	6,020
SummitSkills	29	12.6	132

Source: Future Skills Wales 2003 Generic Skills Survey

Base: All

Section 5 Employer Engagement 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 SummitSkills SSC sector funded or arranged off-the-job training in the past 12 months, this is comparable to the all Wales figure of 53 per cent. Half of establishments reported that their investment in off-the-job training was about the same as three years ago, 31 per cent reported that investment had increased and 9 per cent reported a decrease.

Three in ten establishments in the sector say that they do not face barriers to the amount of training undertaken. Cost and time were the most significant barriers to undertaking training.

Table 5.1 Barriers to training

	Wales	Summit Skills
<i>Multiple response</i>	<i>%</i>	<i>%</i>
Cost of training	26	28
Training not available	6	7
Time of day courses are run	8	4
Cannot afford staff to have time off	31	28
Training not relevant to needs of business	6	8
No barriers	32	31
Unweighted base	6,020	132

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 establishment. In the SummitSkills sector 85 per cent of establishments agreed (strongly or tended to agree) that employees have sufficient skills to meet business needs; 82 per cent that investment in skills has yielded business benefits and 99 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.