

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

Automotive Skills

**Arolwg o Gyflogwyr Sgiliau
Generig Sgiliau Dyfodol Cymru
2003**

Sgiliau Ceir SSC

Future Skills Wales 2003 Generic Skills Survey of Employers: Automotive Skills 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 Automotive Skills SSC sector. It is thus an important output in that it informs 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 227 interviews were conducted with establishments in the Automotive 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 Automotive SSC covers employers in the sale and maintenance of motor vehicles and the 'best fit' of SIC codes to this sector has been used to analyse the data presented within this report (SIC codes 50.1 – 50.4, 71.1).

1.4 Sample Size for the sector

A total of 227 interviews were conducted with establishments in the Automotive 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.

- only data with unweighted bases of more than 50 are reported. Where unweighted base sizes are between 50 and 100 the text is italicized and these findings should be treated with caution and as indicative only.

1.6 Report outline

The following section of the report considers the current and likely future skills needed by employers in section 2. Section 3 considers recruitment difficulties and skill shortage vacancies while the following section 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 and section 6 concludes with a summary of the key points.

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 Automotive sector are shown in the table below. Over four out of five establishments required an understanding of customer needs at a high or advanced level, whilst seven in nine required adaptability and flexibility and three quarters needed the same level of initiative to be shown. Three quarters of establishments cited team working at a high or advanced level as needed as was the ability to learn by over two thirds of them.

Certain skills were specific to the types of roles that could be found in the sector's workplaces. Thus requirements for IT, leadership, management and entrepreneurial skills varied widely accordingly.

On the other hand the non-export nature of the sector was illustrated by the 92% of establishments with no foreign language requirements. Two thirds of establishments had no requirement for Welsh language skills at all.

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	7	16	22	43	11	1
Literacy	3	14	26	50	7	0
Welsh language	66	14	12	7	1	1
Foreign language	92	4	4	1	0	0
Problem solving	7	9	18	48	18	0
Communication	4	10	23	46	17	0
Ability to follow instructions	1	9	17	58	15	0
IT skills	21	21	23	28	8	0
Ability to learn	0	7	26	53	15	0
Showing initiative	2	6	17	59	17	0
Leadership skills	11	13	24	42	9	1
Management skills	25	14	19	31	10	1
Organising own learning and development	12	16	25	40	6	1
Team working	4	8	15	58	15	0
Understanding customer needs	1	7	11	56	25	0
Entrepreneurial skills	33	14	19	30	3	2
Adaptability/flexibility	3	5	16	64	13	0
Weighted base = 227 (all establishments)						
<i>Source: Future Skills Wales 2003 Generic Skills Survey</i>						

Looking ahead three years, all skills are expected to be required at an advanced level by a greater number of establishments than currently, most notably in adaptability/flexibility, problem solving, communications, showing initiative and leadership skills. Interestingly there is little forecast change in the need for Welsh language skills and IT skills requirements at all levels are expected to rise.

Table 2.2 Expected levels of skill needs in three years

Table 2.2 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	7	11	20	44	17	1
Literacy	3	11	24	50	11	0
Welsh language	59	17	12	9	3	1
Foreign language	87	8	4	1	0	0
Problem solving	6	5	18	40	30	0
Communication	3	8	21	44	24	1
Ability to follow instructions	1	7	15	57	19	0
IT skills	15	15	23	33	14	0
Ability to learn	0	5	22	50	22	0
Showing initiative	2	3	16	54	26	0
Leadership skills	9	12	23	38	18	2
Management skills	24	11	17	31	16	2
Organising own learning and development	12	12	23	41	12	1
Team working	4	6	15	56	20	0
Understanding customer needs	1	5	9	52	33	0
Entrepreneurial skills	32	9	21	28	8	3
Adaptability/flexibility	2	5	12	59	22	0
Weighted base = 227 (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

One in six establishments in the Automotive Skills SSC sector footprint reported at least one vacancy at the time of the survey, 13 per cent of establishments reported that they had hard-to-fill vacancies and one-in-ten reported skill shortage vacancies, that is, vacancies that were hard-to-fill for skill related reasons.

The proportion of establishments reporting vacancies is lower than in Wales as a whole (22 per cent), hard-to-fill vacancies rate is on a par with the average level, but the proportion reporting skill shortage vacancies is above the Wales figure of seven per cent.

When considered as a proportion of employment, vacancies in the Automotive SSC represent 3.6 per cent of employment, compared to two per cent in Wales as a whole. Similarly, hard-to-fill vacancies represent 2.4 per cent of employment in the sector compared to 1.1 per cent in Wales as a whole. The sector seems to suffer more acutely from recruitment difficulties when compared to Wales as a whole. Similar data for skill shortage vacancies are not available due to low base sizes.

These data reflect the specialised and industry-specific nature of many of the occupations in the sector that impairs transferability of skills.

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

	Wales		Automotive SSC	
	<i>% of establishments reporting</i>	<i>% of employment</i>	<i>% of establishments reporting</i>	<i>% of employment</i>
All vacancies	22	2.0	17	3.6
Hard-to-fill vacancies	14	1.1	13	2.4
Skill shortage vacancies	7	0.5	10	n/a
Unweighted base	6,020	6,020	227	227

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

The sample size does not permit any further analysis of recruitment difficulties.

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.

Establishments in the Automotive Skills SSC sector footprint were slightly more likely to report skill gaps than establishments as a whole and the proportion of staff with skill gaps is double the figure for all Wales. Again, the sample does not allow an analysis by occupation or for any further analysis of establishments with skills gaps.

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
Automotive	20	10.3	227

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

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.

51 per cent of establishments in the Automotive Skills SSC sector footprint funded or arranged off-the-job training in the past 12 months; this is marginally below the all Wales figure of 53 per cent. For more than half of establishments their investment in off-the-job training for employees has remained about the same, with 25 per cent reporting that they have increased such investment over that time, compared to 32 per cent across Wales.

A third of establishments (31 per cent) reported that they faced no barriers to the provision of training, around the same (32 per cent) reported that allowing staff time off for training was a barrier and a quarter reported the cost of training was a barrier. These are factors that will need to be tackled to improve the skills of staff and reduce the prevalence of skill gaps in the sector.

Table 5.1 Barriers to training

	Wales	Automotive
<i>Multiple response</i>	<i>%</i>	<i>%</i>
Cost of training	26	25
Training not available	6	6
Time of day courses are run	8	7
Cannot afford staff to have time off	31	32
Training not relevant to needs of business	6	7
No barriers	32	31
Unweighted base	6,020	227

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 Automotive Skills sector 92 per cent of establishments agreed (strongly or tended to agree) that employees have sufficient skills to meet business needs; 79 per cent that investment in skills has yielded business benefits and 97 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.

Section 6

Conclusion

Clearly establishments considered it very important that employees have high levels of skills in understanding customer needs, being adaptable and flexible, showing initiative and team working in particular. Language skills are clearly not a priority. It appears that the need for an advanced level of skills across virtually all type of skills is forecast to increase over the next three years.

Hard-to-fill and skill-shortage vacancies and skills gaps afflict a significant minority of establishments in the Automotive Skills sector and affect a far higher proportion of employment than the all-Wales average.

Whilst training levels are on a par with all sectors with about half of all establishments providing training in the last year there is a clear recognition of the importance of skills to the sector and the benefits training can bring to business and the impact a trained workforce can make.