

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

SEMTA

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

SSC SEMTA

Future Skills Wales 2003 Generic Skills Survey of Employers: SEMTA 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 SEMTA 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 212 interviews were conducted with employers in the SEMTA 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 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 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 SEMTA SSC covers employers in the science, engineering and manufacturing technologies and the 'best fit' of SIC codes to this sector (27.4; 27.5; 28.1 – 28.3; 28.5 – 28.7; 29 – 35) has been used to analyse the data presented within this report.

1.4 Sample Size for the sector

A total of 212 interviews were conducted with establishments in the SEMTA 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 in section 2. Section 3 considers recruitment difficulties and skills 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.

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 SEMTA sector are shown in the table below. Understanding customer needs, Adaptability/flexibility, Ability to follow instructions, and Showing initiative are the skills required at the highest levels in the 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	3	12	30	41	12	0
Literacy	2	16	31	40	10	0
Welsh language	77	12	5	4	2	0
Foreign language	79	10	6	3	1	0
Problem solving	8	14	20	44	14	1
Communication	5	15	17	53	11	0
Ability to follow instructions	1	11	16	56	16	0
IT skills	16	18	32	26	8	0
Ability to learn	2	8	21	54	15	0
Showing initiative	1	8	20	56	15	0
Leadership skills	11	19	24	35	12	0
Management skills	27	12	25	29	8	0
Organising own learning and development	17	20	28	32	5	0
Team working	4	11	18	56	11	0
Understanding customer needs	4	7	10	55	24	0
Entrepreneurial skills	35	11	23	21	9	1
Adaptability/flexibility	3	8	15	55	21	0
Weighted base = 212 (all establishments)						
<i>Source: Future Skills Wales 2003 Generic Skills Survey</i>						

Looking to the future, employers in Wales expect to need slightly higher levels of all generic skill types in 3 years, with the level of IT skills expected to increase the most.

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	3	11	28	40	18	0
Literacy	2	13	29	43	13	0
Welsh language	75	13	6	5	2	0
Foreign language	73	12	5	6	2	2
Problem solving	8	12	16	48	16	1
Communication	5	13	12	52	18	1
Ability to follow instructions	1	7	18	54	20	1
IT skills	13	12	24	32	17	2
Ability to learn	2	6	18	51	23	1
Showing initiative	1	5	17	54	21	1
Leadership skills	9	15	19	36	20	1
Management skills	25	11	23	30	11	1
Organising own learning and development	16	13	26	36	10	1
Team working	4	8	16	55	17	0
Understanding customer needs	4	6	8	50	31	0
Entrepreneurial skills	35	9	22	25	9	0
Adaptability/flexibility	2	5	13	52	27	0
Weighted base = 212 (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

Almost a quarter (23 per cent) of establishments in the SEMTA SSC sector reported at least one vacancy at the time of the survey, 18 per cent of establishments reported that they had hard-to-fill vacancies and 14 per cent reported skills 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 comparable to Wales as a whole (22 per cent and 14 per cent respectively), but the proportion reporting skills shortage vacancies is well above the Wales figure of 7 per cent.

When considered as a proportion of employment, vacancies in the SEMTA SSC represent 0.8 per cent of employment, compared to 2 per cent in Wales as a whole. Similarly, hard-to-fill vacancies represent 0.6 per cent of employment in the sector compared to 1.1 per cent in Wales as a whole. Similar data for skills shortage vacancies are not available due to low base sizes.

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

	Wales		SEMTA SSC	
	<i>% of establishments reporting</i>	<i>% of employment</i>	<i>% of establishments reporting</i>	<i>% of employment</i>
All vacancies	22	2.0	23	0.8
Hard-to-fill vacancies	14	1.1	18	0.6
Skills shortage vacancies	7	0.5	14	NA
Unweighted base	6,020	6,020	212	212

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

Section 4 Internal Skills gaps

4.1 Incidence of 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.

One in five establishments reported such skills gaps in the SEMTA sector, affecting 3.7 per cent of employees.

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
SEMTA SSC	21	3.7	212

*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.

59 per cent of establishments in the SEMTA SSC sector funded or arranged off-the-job training in the past 12 months, this is above the all Wales figure of 53 per cent. 34 per cent of establishments in the sector reported an increase in the levels of investment in off-the-job training over the last three years, 45 per cent reported the investment was about the same and 8 per cent reported a decrease. These figures are comparable to the all Wales results.

Employers in the sector are less likely, than Wales as a whole, to say that they do not face barriers to the amount of training undertaken. A third of establishments cited the cost of training itself and the cost in allowing staff time off for training. Almost one in ten reported that training was not available to them.

Table 5.1 Barriers to training

	Wales	SEMTA SSC
<i>Multiple response</i>	<i>%</i>	<i>%</i>
Cost of training	26	34
Training not available	6	9
Time of day courses are run	8	4
Cannot afford staff to have time off	31	34
Training not relevant to needs of business	6	7
No barriers	32	27
Unweighted base	6,020	212

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 SEMTA sector 82 per cent of establishments agreed (strongly or tended to agree) that employees have sufficient skills to meet business needs; 73 per cent that investment in skills has yielded business benefits and 98 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

Establishments in the SEMTA SSC sector are more likely to report recruitment difficulties and skills gaps, but the concentration of such difficulties, then measured against employment, is lower. This may be related to the relative size of establishments in the SEMTA sector is Wales (i.e. tend to be larger) although that cannot be certain from the data provided here. Establishments in the sector are more likely to train and more likely to report barriers to training, which suggests that skill development is important in the sector and employers in order to meet the skill deficiencies many firms face.