

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

Skills for Health

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

SSC Sgiliau Iechyd

Future Skills Wales 2003 Generic Skills Survey of Employers: Skills for Health 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 Skills for Health 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 170 interviews were conducted with establishments in the Skills for Health 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 Skills for Health SSC covers employers in all aspects of human health activities and the 'best fit' of SIC codes (85.1) to this sector has been used to analyse the data presented within this report.

1.4 Sample Size for the sector

A total of 170 interviews were conducted with establishments in the Skills for Health 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;
- only data with unweighted bases of more than 50 are reported. Where unweighted base sizes are between 50 and 100 the text is italicised and these findings should be treated with caution as indicative only.

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 Skills for Health sector are shown in the table below. Overall ability to follow instructions, team working and understanding customer needs are the skills required at the highest level by employers 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	7	27	28	30	9	0
Literacy	1	13	29	44	7	0
Welsh language	66	16	11	6	1	1
Foreign language	91	5	4	0	0	0
Problem solving	11	12	19	42	17	0
Communication	5	10	21	47	17	0
Ability to follow instructions	1	8	18	55	18	0
IT skills	28	22	21	32	7	0
Ability to learn	1	7	22	51	17	2
Showing initiative	0	6	22	50	22	0
Leadership skills	5	11	29	42	12	1
Management skills	19	10	34	32	6	0
Organising own learning and development	6	9	30	42	12	0
Team working	1	4	12	57	25	0
Understanding customer needs	2	4	12	52	30	0
Entrepreneurial skills	42	17	18	16	5	2
Adaptability/flexibility	1	3	26	52	18	0
Weighted base = 170 (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, IT and ability to learn skills 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	6	24	31	27	12	0
Literacy	1	10	27	45	18	0
Welsh language	44	24	15	14	3	1
Foreign language	66	23	7	1	0	3
Problem solving	5	9	23	40	24	0
Communication	1	5	8	50	36	0
Ability to follow instructions	1	3	13	50	33	0
IT skills	12	10	19	34	25	0
Ability to learn	1	6	14	48	29	2
Showing initiative	0	5	12	47	36	0
Leadership skills	5	8	23	41	23	0
Management skills	17	8	28	30	18	0
Organising own learning and development	6	7	19	41	28	0
Team working	1	4	10	49	36	0
Understanding customer needs	2	2	9	43	45	0
Entrepreneurial skills	39	14	20	16	8	3
Adaptability/flexibility	1	3	18	52	26	0
Weighted base = 170 (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 two fifths (37 per cent) of establishments in the Skills for Health SSC sector reported at least one vacancy at the time of the survey, 22 per cent of establishments reported hard-to-fill vacancies and 8 per cent reported skill shortage vacancies, that is vacancies that were hard-to-fill for skill related reasons.

The proportion of establishments reporting all types of vacancy is higher than in Wales as a whole (22 per cent, 14 per cent and 7 per cent respectively).

When considered as a proportion of employment, vacancies in the Skills for Health SSC represent lower proportions of employment than in Wales as a whole.

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

	Wales		Skills for Health SSC	
	% of establishments reporting	% of employment	% of establishments reporting	% of employment
All vacancies	22	2.0	37	1.4
Hard-to-fill vacancies	14	1.1	22	1.1
Skill shortage vacancies	7	0.5	8	NA
Unweighted base	6,020	6,020	170	170

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

3.2 Causes of hard-to-fill vacancies

The most common cause of hard to fill vacancies in the sector is a lack of applicants generally or interested in the work, or willing to work for the market rate (23 per cent of establishments with hard-to-fill vacancies). **However, due to the small base size on which the data is based, this data should be treated with caution.**

Table 3.2 Main causes of hard-to-fill vacancies

	Skills for Health	Wales
<i>Multiple response</i>	<i>%</i>	<i>%</i>
Applicants lack motivation/right attitude	2	9
Applicants lack the qualifications we want	9	7
Applicants lack the relevant experience	2	13
Applicants lack the relevant skills we require	14	20
Company/industry unable to pay the market rate	10	3
Job entails shift work/unsociable hours	3	8
Lack of applicants/people willing to work for market rate/interested in this type of work	23	18
Poor image of sector	3	1
Remote location/poor public transport	4	3
Too much competition from other employers	11	2
Other	6	1
Don't know	9	6
Unweighted base	58	1019

Source: Future Skills Wales 2003 Generic Skills Survey
Base: All establishments with hard-to-fill vacancies

Section 4

Internal Skill Gaps

4.1 Incidence and nature of 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 a third of establishments reported such gaps amongst existing employees in the sector, well above the Wales average.

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
Skills for Health	31	3.8	170

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

The most frequently cited skill lacking amongst existing staff is IT skills (38 per cent), followed by communication skills and showing initiative. **However, due to the small base size on which the data is based, the data in the remainder of this section on skill gaps should be treated with caution.**

Table 4.2 Nature of skill gaps

	Skills for Health SSC	Wales
<i>Multiple response</i>	<i>%</i>	<i>%</i>
Communication skills	10	21
Showing Initiative	9	12
Customer Handling Skills	8	10
Problem solving skills	7	11
Ability to learn	7	10
Management skills	1	9
Team working skills	4	6
IT skills	38	24
Literacy skills	7	4
Numeracy skills	3	6
Foreign language skills	0	3
Interpersonal skills	4	1
Experience	7	6
Ability to follow instructions	4	9
Welsh language skills	1	5
No particular skills difficulties	2	2
Don't know	2	2
Unweighted base	52	1198

Source: Future Skills Wales 2003 Generic Skills Survey
Base: All establishments with a skills gap

4.2 Impact of skill gaps

The greatest impact of internal skill gaps in the Skills for Health SSC sector was a loss of efficiency or increased wastage, with 17 per cent of establishments with skill gaps citing this impact. Other impacts include a loss on the quality of services and difficulties meeting customer service objectives.

Table 4.3 Impact of skill gaps

<i>Multiple response</i>	<i>Skills for Health</i>	<i>Wales</i>
	%	%
Loss of business to competitors	5	15
Loss of quality in the service	12	16
Delays developing new products or services	*	7
Difficulties meeting customer service objectives	12	7
Difficulties in introducing new technology	9	4
Increased staff turnover	6	3
Restricted business development	11	12
Increased operating costs	4	5
Loss of efficiency/increased wastage	17	15
No particular problems	3	2
Unweighted base	52	1198

Source: Future Skills Wales Generic Skills Survey 2003

Base: All with skill gaps

4.3 Actions taken by business in response to skill gaps

Establishments in the sector are most likely to respond to skill gaps by training staff (81 per cent) much more so than all establishments in Wales (56 per cent).

Table 4.4 Actions taken as a result of skill gaps

<i>Multiple response</i>	<i>Skills for Health</i>	<i>Wales</i>
	%	%
Provide further training	81	56
Changing working practices	2	6
Increase/expand trainee programmes	13	16
Relocated work elsewhere	0	*
Increased recruitment	6	8
No particular action being taken/leave to market	6	11
Don't know	2	4
Unweighted base	52	1198

Source: Future Skills Wales Generic Skills Survey 2003

Base: All establishments with a skills gap

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.

84 per cent of establishments in the Skills for Health SSC sector funded or arranged off-the-job training in the past 12 months, this is well above the all Wales figure of 53 per cent. Additionally, the proportion of establishments in the sector who have increased investment in off-the-job training over the last three years is almost double that for all Wales – 63 per cent in the Skills for Health SSC sector compared to 32 per cent in all Wales.

However, employers in the sector are also much less likely to say that they do not face barriers to the amount of training undertaken and the barriers that they cite include cost of training and the difficulty in allowing staff time off for training.

Table 5.1 Barriers to training

	Wales	Skills for Health SSC
<i>Multiple response</i>	%	%
Cost of training	26	30
Training not available	6	4
Time of day courses are run	8	9
Cannot afford staff to have time off	31	45
Training not relevant to needs of business	6	*
No barriers	32	17
Unweighted base	6,020	170

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 Skills for Health sector 80 per cent of establishments agreed (strongly or tended to agree) that employees have sufficient skills to meet business needs; 83 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.