

## Labour Market Intelligence

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### Employer Skills Survey 2015 Wales Nation Toolkit Summary and conclusions

The Welsh Government is seeking to expand and broaden the use of Labour Market Intelligence across Wales. Please visit our website:

<https://businesswales.gov.wales/skillsgateway/labour-market-intelligence>

If you require further information with respect to the Employer Skills Survey or Labour Market Intelligence in the Welsh Government, please contact [LMI@gov.wales](mailto:LMI@gov.wales)

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Llywodraeth Cymru  
Welsh Government

## **Employer Skills Survey 2015 Wales Nation Toolkit Summary and conclusions**

The Employer Skills Survey (ESS) 2015 presents the findings from a survey of 91,210 establishments across the UK, of which 6,027 were based in Wales. The focus of the survey is on employer demand for labour, skill deficiencies, levels of investment in training, and workforce development.

The below is based on the Wales Nation Toolkit. A UK Report was published in January 2016, providing high level Wales findings. An ESS 2015 Wales Report will be published in July 2016, providing detailed analysis of the findings from within Wales, breaking findings down by sector, occupation, establishment size and region, and also providing context to the findings, aiding their understanding.

### **Recruitment and skill-shortage vacancies**

There has been a steep rise in vacancy levels among employers - from 26,000 vacancies at the time of the survey in 2013 to 36,000 in 2015 – reflecting high demand for labour and positive changes in the Wales economy.

Approaching a quarter (24 per cent) of these vacancies were skill shortage vacancies (vacancies hard-to-fill due to applicants lacking the requisite skills, qualifications or experience).

The proportion of vacancies that were skill shortage vacancies (density) was highest in construction and for transport and communications. In terms of occupations, this was highest for skilled trades and machine operatives.

Specialist skills and knowledge were most likely to be viewed as lacking from applicants, followed by the ability to manage their own time and prioritise tasks.

### **Internal skills challenges**

The number of skills gaps among existing staff has decreased slightly since 2013 to 54,000 employees (4.5 per cent of the total workforce, down from 5.8 per cent in 2013).

Manufacturing had the highest proportion of staff with skills gaps (8.8 per cent) and also the largest number of skills gaps (11,700). Skills gaps were most likely to be found in labour-intensive occupations, particularly for machine operatives.

For existing staff, the most common technical or practical skills lacking were specialist skills or knowledge.

The demand for improved people and personal skills was also apparent, with time management and prioritisation of tasks commonly lacking across the workforce.

This points to the growing complexity of job roles, across all occupations, requiring individuals to juggle multiple strands of work and responsibility.

### **Impacts of, and responses to, skills issues**

Employers are responding through training, with increased use of e-learning, but there is clear demand for training that is geared more specifically to the requirements of an evolving workplace.

Skills challenges impact both the short-term and long-term success of businesses, with notable implications on businesses' productivity and growth potential. Most commonly, employers acknowledge the increased workloads and pressure placed on some staff as a result of skills shortages within the market and the workplace (84 per cent and 54 per cent, respectively).

Innovation is a key factor towards boosting productivity but the skills challenges employers faced, particularly around staff being unable to solve complex problems, point to limitations here.

Appropriate training can serve to mitigate such impacts, but training levels have remained relatively static since 2013 (63 per cent of employers provided training), despite a more buoyant economy. However, the proportion of staff trained in Wales has increased.

Employer engagement in the development of future training is fundamental with regards to the development of the training offer. Around half of employers already providing training exhibit a desire to offer more (49 per cent), and cite a lack of funds as the most prevalent barrier to doing so, followed by being unable to spare more staff time.

Around 89,000 staff were deemed to be over qualified and over skilled for their job role; this was most commonly attributed to staff not being interested in taking on a higher level role, followed by a lack of jobs in desired higher level roles and working hours suiting better.

#### ***For further information:***

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