



# A Skilful Wales

## Employment and Skills

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# Introduction

We commissioned a survey in response to:

- Public Good and a Prosperous Wales
- Regional Learning/Skills Partnerships
- Fair Work Commission

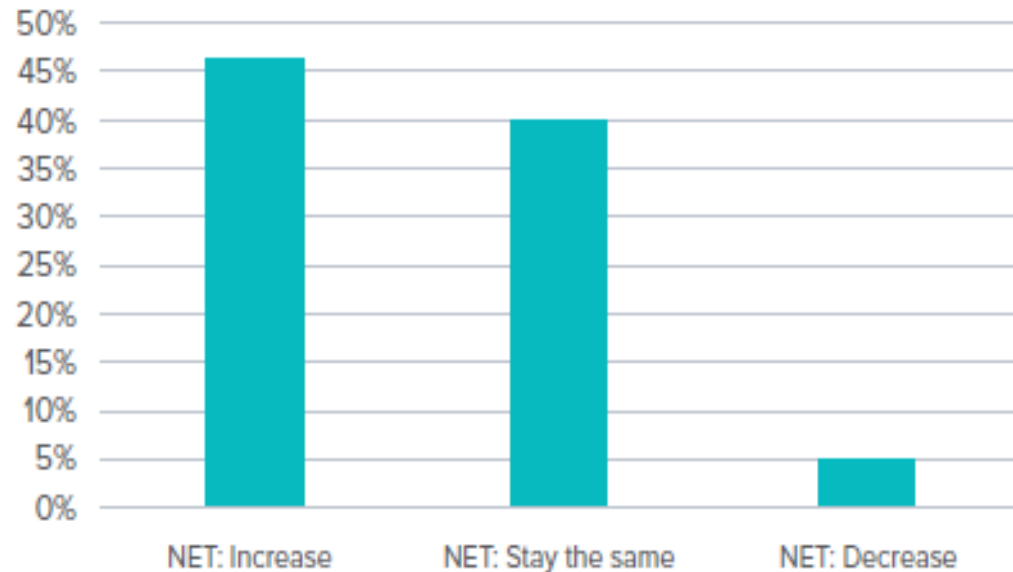
The survey was mixed method (both online and telephone) and had a response rate of 455

- Respondents were SMEs (beyond just FSB Wales membership)
- Around 12 questions with three profiling questions



# Employment Intentions

Figure 3: Employment intentions



- Strong employment intentions are evident across Wales
- This was strongest in South East Wales (53 per cent) and weakest in N Wales (36 per cent)



# Employment

Figure 1: Types of contracts used

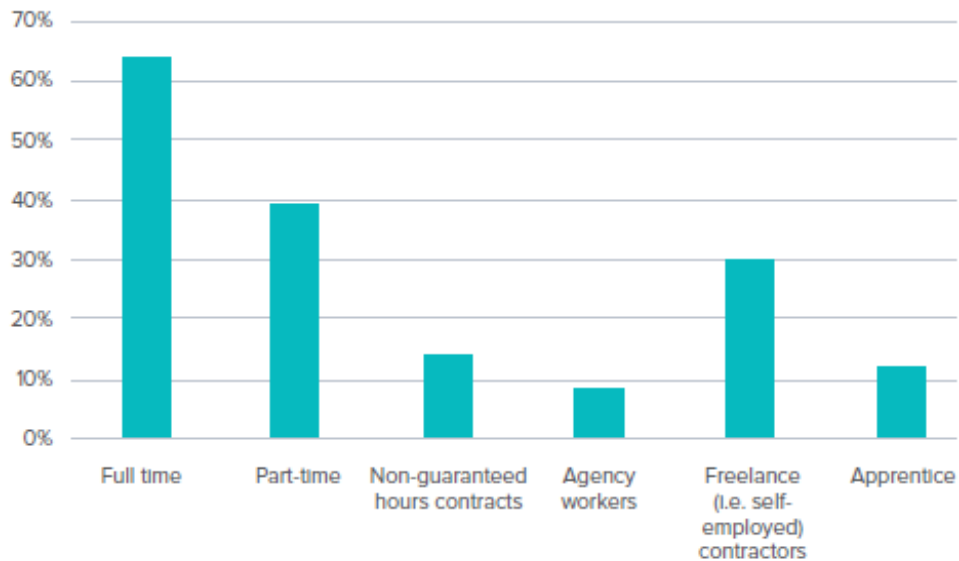
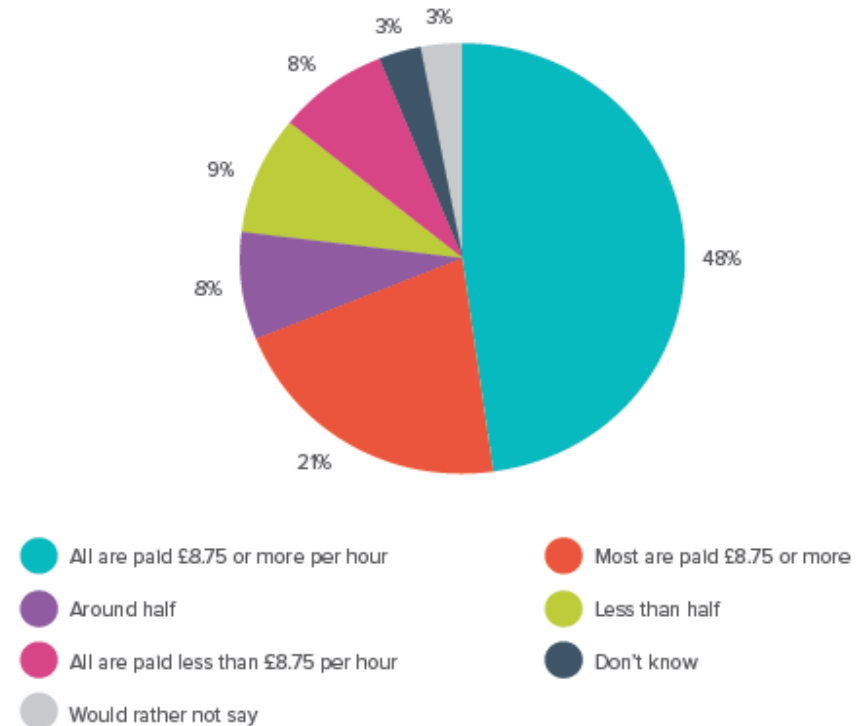


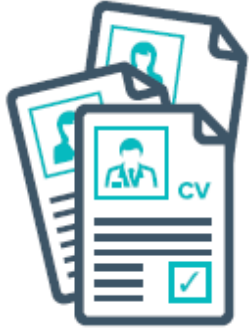
Figure 2: Payment of real living wage



- Most businesses chose 2 options – full-time and part-time
- A significant majority paid all staff over the living wage, with only 8 per cent paying all staff below this level



# Recruitment



Around a **half of firms** in Wales have gone through a **recruitment process** in the last **2 years**

Figure 4: Reasons for recruitment difficulties

Not able to find people with the right attitude	38%
Not able to find people with the right experience	33%
Not able to find people with the skills and / or qualifications	32%
Received a low number of applicants	23%
Not enough interest in doing certain types of jobs	22%
The job involves antisocial hours	10%
Too much competition from other employers (e.g. pay and benefits)	10%
The job requires seasonal work	9%
The job has poor career progression / lack of prospects	9%
The business is in a location that is not attractive to employees	6%

Three issues dominate recruitment difficulties; attitudes, experience and skills.

How much can the skills system influence these?



# Recruitment

- Other staff in a business are impacted heavily
- The ability to grow a business is also significantly impacted



Businesses adopt a **variety of approaches** to try and overcome **recruitment issues**, including increasing **salaries**, **training** existing staff or increasing **staff retention**

**Figure 5: Impact of recruitment difficulties**

Increases workload for other staff	52%
Affects ability to grow the business	51%
Affects the profitability of the business	30%
Difficulty meeting quality standards	27%
Difficulty meeting customer services objectives	20%
Delays development of new products, services or exploring new business areas	20%
Loss of business to competitors	19%
Leads to increased operating costs	18%
Have to outsource work	16%
Withdraw from offering some products or services	15%
Difficulty introducing new working practices	13%
Could lead to the closure of my business	6%
Difficulty adopting new technology, tools and practices	6%



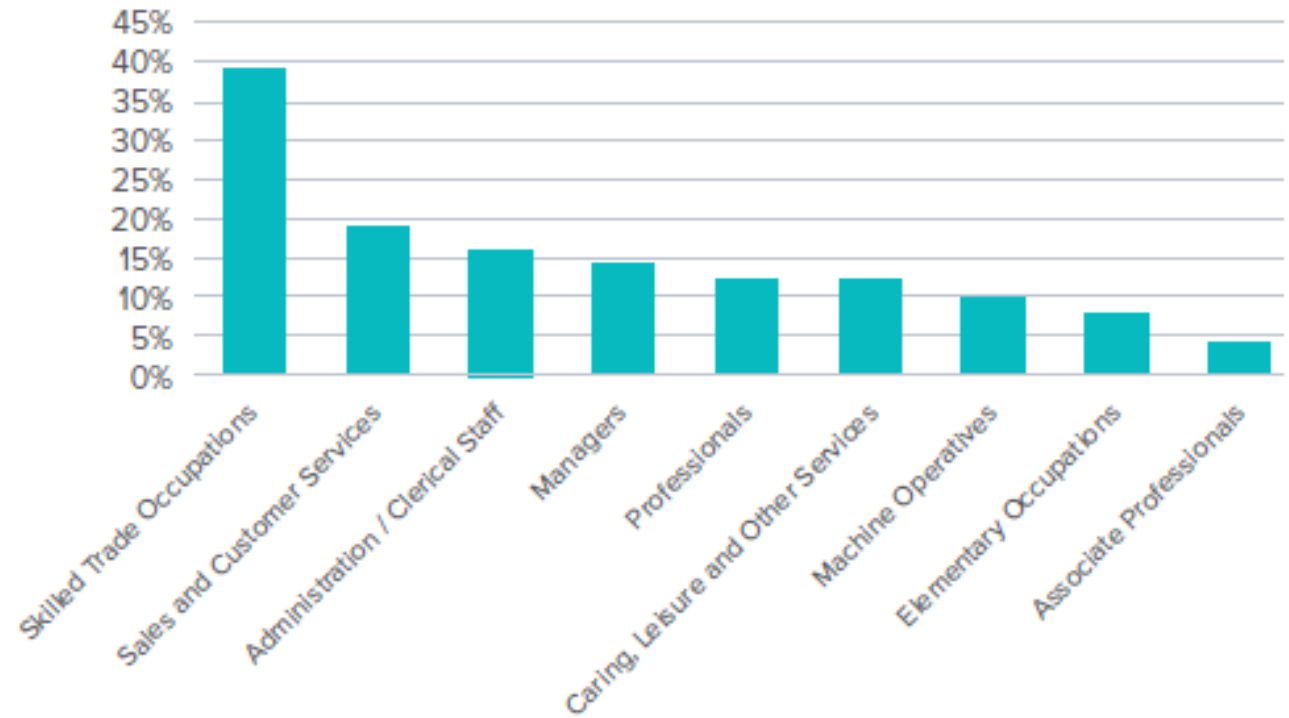
# Recruitment

Survey results suggest that gaps are in skilled trade occupations.

This runs contrary to government agenda around provision which is shifting towards for instance higher apprenticeships.

Progression may be more important than focus on high level only.

Figure 6: Occupations that are difficult to recruit





# Finding the right skills



78 per cent of firms had undertaken some form of **training** in the last **2 years** according to our survey

Off the job training – 24 per cent

On the job training – 20 per cent

Both – 34 per cent



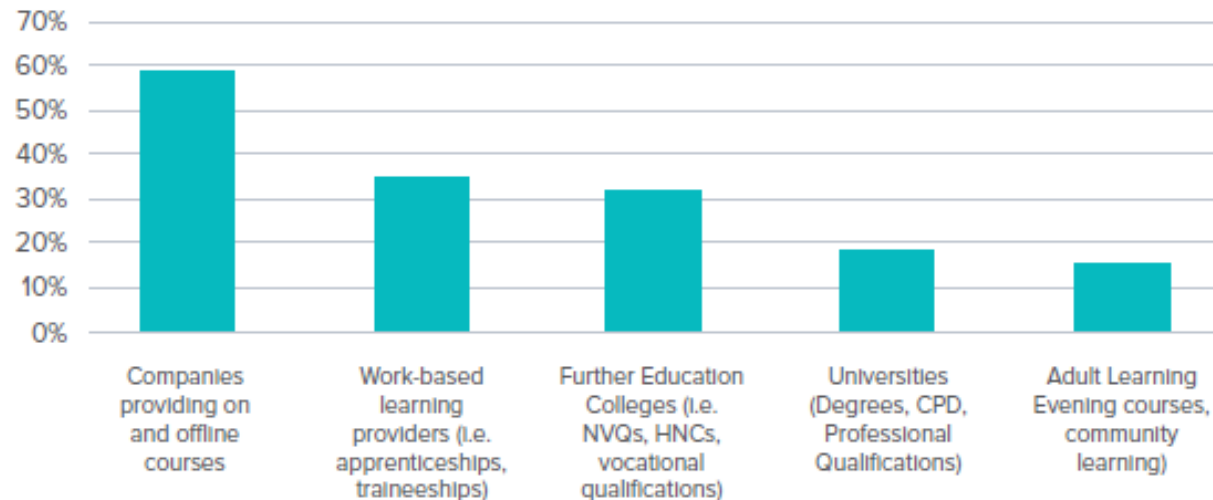
While around **two thirds** of firms have some provision for **training**, only a **third of firms** have a **formal training plan** and only a **fifth** have a **budget** dedicated to training





# Finding the right skills

Figure 10: Skills support organisations



- Private training companies most frequently used to solve skills issues.
- This is despite a large amount of PCET conversation focusing on established public provision.



# Our thoughts:

- Most SME employers pay above real living wage. Fair Work Commission need to delve deeper into evidence to understand practical barriers to those that don't.
- PCET reform process needs to look beyond public sector if it wants to influence employers' training and skills agenda.
- More than just qualifications – soft skills and practical work experience also play a big role.
- RLPs should start with where SMEs currently get training and work from there in their planning process.
- Focus on higher skills should not come at the expense of lower and medium skilled occupations. Conversation needs to move to progression instead.
- Business Wales needs to work with SMEs to help them develop training plans given current weaknesses in this area.

# What do you think needs to change?

