

Serco ESE SSW research Dorset LEP

Prepared for SERCO

16/04/20 | Version FINAL



Copyright

This document, and its contents, remain at all times the property of Winning Moves it is not to be disclosed, referred to, copied or transmitted, in whole or in part, without the prior consent of Winning Moves.

Intellectual property

All concepts, ideas, creatives, animations, software, graphics, etc. produced or suggested by Winning Moves as part of this document, will remain the copyright or property of Winning Moves, unless there is express agreement to the contrary.

Contents

- Executive summary..... 5**
- 1. Introduction..... 12**
 - 1.1. Background..... 12
 - 1.2. Research objectives..... 12
 - 1.3. Method overview..... 13
 - 1.4. Limitations and interpreting the findings in this report..... 13
- 2. Respondent profile 15**
- 3. Skills gaps..... 19**
 - 3.1. Current skills gaps 19
 - 3.2. Digital skills 23
 - 3.3. Implications for employers 24
 - 3.4. Reasons for skills gaps 26
- 4. Training provision 28**
 - 4.1. Actions taken in the last 12 months..... 28
 - 4.2. Likelihood of future engagement with training providers..... 32
 - 4.3. Improvements to training provision..... 33
- 5. Recruitment..... 35**
 - 5.1. Key concerns 35
 - 5.2. Hard-to-fill vacancies 39
 - 5.3. Recruitment approach..... 42
- 6. Future skills 44**
 - 6.1. Skills required in the next 3-5 years 44
 - 6.2. Automation and digitalisation 46
- 7. Apprenticeships 49**
 - 7.1. Awareness and understanding of apprenticeships 49
 - 7.2. Current use of apprenticeships 51
 - 7.3. Views on using offering apprenticeships in the future..... 51
- 8. Conclusions and recommendations 55**
- Appendix: survey script..... 59**

Executive summary

Background

Skills Support for the Workforce (SSW) is a programme developed to upskill employees within small and medium-sized employers. The programme provides recognised accredited qualifications and bespoke training courses to enhance employees' skills, increase competitiveness and boost the local economy. SSW is co-financed by the Education and Skills Funding Agency and European Social Fund.

Serco Employment, Skills and Enterprise (Serco ESE) is the Prime Contractor of the SSW programme in Dorset. The ESFA commissioned Serco to conduct research to understand employers' skills needs in Dorset as part of the Local Enterprise Partnership's (LEP) skills planning, which in turn forms part of their wider strategic agenda. Serco commissioned Winning Moves to deliver this piece of research, particularly to understand:

- The skills required by employers in the near-term – skills requirements they currently have and whether and how these are being met i.e. do they have skills gaps?
- For employers that have skills gaps, the implications of this for organisational growth and productivity.
- The skills required by employers in the medium-to-long term and how they are taking account of future technology-driven skills requirements.
- How employers currently recruit employees, the organisations they tend to engage with and whether employers have a good understanding of the skills outputs from training providers.
- Whether employers foresee greater automation of their processes and whether they have the skills in place to embrace increased digitalization.
- The extent to which employers investing in apprenticeships, and understanding any barriers that might be hindering employers from offering apprenticeships in the future.

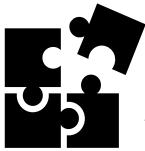
In partnership with Serco and Dorset LEP, Winning Moves designed a survey to be completed by employers online or via telephone. In total 242 Dorset employers responded to the survey - 142 online and 100 via telephone. Responses were weighted to the Dorset employer population on the basis of organisational sector and size.

Data collection was conducted between 6th January and 18th February 2020, prior to the Coronavirus crisis having a significant impact on the UK. The survey did not explore the topic, and respondents did not mention it. Whilst the responses to this survey are still valuable, if the survey were repeated now, some responses – particularly around future skills needs, and in

the sudden and fundamental changes to the way many employers are now operating – would likely differ.

Findings

Skills gaps



Over half of employers reported at least one type of skills gap across their existing workforce. The skills gaps most commonly acknowledged were digital skills, sales & marketing, complex analytical and leadership & managerial. Aside from job-specific skills, the gaps felt to be having the biggest impact on organisational performance and productivity were technical / practical, leadership & managerial and sales & marketing.

Training provision



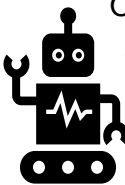
The vast majority (83%) of all respondents reported having taken some action in the last twelve months. This was predominantly in-house / on-the-job training. The most common suggestion for improvement to training provision in Dorset was accessibility - the location of training, funding to support the cost of training, and the relevance of training to small employers.

Recruitment



Asked about their recruitment concerns, there were broadly equal levels concern amongst Dorset employers (albeit differing by profile) on organisational location, workforce age and diversity, and the effects of Brexit. A quarter of employers reported having one or more hard-to-fill vacancies in the last twelve months; the most common reason given was a lack of applicants with the right skills.

Future skills



One third of respondents expect changing skills needs in the next three to five years. Amongst this group, the most commonly anticipated needs are digital, technical, and sales & marketing. Whilst most respondents felt their organisation had the appropriate skills to embrace digitalisation, around a quarter did not. Two thirds of employers envisage at least some (further) automation in their workplace, though most do not think it will impact their existing workforce numbers or roles required.

Apprenticeships

A majority of respondents reported a good understanding of apprenticeships (process, benefits etc.). However, around a third acknowledged limited understanding of the apprenticeship process. Many are unsure if apprenticeships would be suitable for their organisation's typical type of work. Just 8% of respondents currently employ an apprentice, but over half would consider offering apprenticeship opportunities in the future.



Conclusions

Key conclusions from the research - structured by Serco's main research questions – are as follows:

1. **What particular skills requirements employers currently have and are these being met?**

This research confirms substantial training and development needs in Dorset in both the near term and longer term. Over half of employers reported at least one current skills gap, with one third reporting multiple skills gaps; especially in digital, sales & marketing, complex analytical and leadership & management skills. There could be an opportunity for training providers to offer discounted packages / achieve economies of scale through simultaneously addressing multiple skills gaps within an organisation.

2. **How organisations are currently meeting their skills requirements.**

The majority (83%) of employers say they have taken action in the last year to upskill existing employees. Two thirds of these have offered in-house training to their employees in the last year; a slightly lower proportion have engaged with external training providers. Issues reported with training provision included poor accessibility (reported by 33 employers), lack of funding for training (22), insufficient preparation of young people for the workplace / future requirements (20), and training not being as relevant to small employers (8). Alongside this, almost half of the respondents reporting digital skills gaps said that this was due to a lack of suitable training provision.

3. **For employers that have skills gaps, implications for growth and productivity**

Whilst the research did not require respondents to attempt to quantify effects, of employers acknowledging at least one skills gap: 71% feel skills gaps are having a significant impact¹ upon their productivity, 58% upon profitability, 53% on growth, 51% on quality and 34% on staff retention.

4. **The skills required by employers in the medium-to-long term**

Just over a third of employers think their skills needs will change in the next three to five years, creating further requirements for training. In particular employers expect to require more staff with digital, technical and sales & marketing skills, with some employers also expecting staff will need to become more customer focused and / or multi-skilled².

¹ Rating impact as 4 or 5 out of 5.

² Example verbatim include “*Less technical more customer focused*” and “*More multi-skilled posts*”

However, the research suggests that the majority of employers do not expect much change to their required skills sets, and even those that envisage some (further) automation do not expect this to significantly impact their workforce numbers / skills requirements.

5. How employers currently recruit employees, the organisations they tend to engage with and understanding of training provider offers.

A quarter of employers reported one or more hard-to-fill vacancies in the last twelve months – the most commonly selected reasons for this were applicant quality - lacking the right skills, attitude, motivation and / or personality for the role. Organisations are using a range of methods to recruit new employees, mostly free or low cost. Engagement with relevant organisations such as recruitment agencies, training providers, schools, colleges, universities, Job Centre Plus and the National Apprenticeship Service, is relatively low, suggesting opportunity for better understanding of their offers.

6. Whether employers foresee greater automation of their processes and whether they have the skills in place to embrace increased digitalisation.

Two-thirds of Dorset employers responding to the survey envisaged at least some (further) automation in their workplace in the next three to five years. Of this group, the vast majority felt that they have the appropriate skills to embrace automation and digitalisation within their organisation, though a quarter do not. The evidence suggests a risk that some employers may be unaware or lack knowledge of trends in their sector, stating that either they do not think there will be automation or are unsure, when organisations in the same sector are saying otherwise.

7. The extent to which employers are investing in apprenticeships, and understanding barriers to doing so

Only 8% of Dorset employers responding to the survey are currently employing an apprentice. However, over half said that they would consider doing so in the future. Many employers struggle to understand whether apprenticeships would be suitable for their own organisation and how the process works; this appeared to be the biggest barrier to offering apprenticeship opportunities.

Recommendations

The findings of this research suggest a number of recommendations for training providers to consider as part of any further research and work conducted by Dorset LEP regarding skills and training.

Engaging employers in training and making it more responsive

- Tailoring training offers to the areas that employers recognise their current and / or future skills gaps lie, and those felt to be having the biggest impact on performance e.g. digital skills, complex analytical, sales and marketing and leadership / managerial.
- Linked to this, consideration from training providers as to how multiple skills gaps can be tackled simultaneously, which could have benefits for both the employer and the training provider in terms of being more efficient and cost effective. This could mean several training providers working together / collaborating.
- Some small employers felt that training should be more relevant to them, with some citing their Growth Hub / other business support organisations as good sources of advice and opportunity to develop skills e.g. through their bitesize sessions. Rather than duplicating such activity, training providers could signpost it where appropriate.
- Many employers reported that training on digital skills isn't currently appropriate for their needs, though did not elaborate as to why / in what way(s). Given the large proportion of employers citing digital skills as a gap, it may be worth exploring how this training provision could be improved.
- This research ascertained employers' views on skills gaps and needs within their organisation, yet organisations (in particular those that do not recognise any skills gaps) may benefit from a skills diagnostic to obtain an external perspective.
- Survey responses indicated that employers would value more accessible training, whether that be more regional or online versions of existing training. A comprehensive online offer would seem to be essential in the current climate.

Wider advice

- Some respondents to the survey cited challenges in recruiting a diverse workforce. This may be linked to the recruitment channels used e.g. word of mouth. Some employers may benefit from information about effective recruitment practices and the benefits of diversity in recruitment.
- Some employers seem less aware of the automation / digitalisation happening in their sector, and may benefit from information about this to better understand this, and the impact on their organisation / how it might affect their workforce and the skills that they need, so that they are not left behind.
- A majority of employers are open to the idea of offering apprenticeships, but some do not feel they understand whether they are suitable for their organisation and the type of work that they do. Employers would benefit from more detailed guidance on apprenticeships, and how they could use apprenticeship funding to meet their skills gaps.

1. Introduction

1.1. Background

Skills Support for the Workforce (SSW) provides recognised accredited qualifications and bespoke training courses to enhance employees' skills, increase competitiveness, and boost the local economy.

Serco Employment, Skills and Enterprise (Serco ESE) is the Prime Contractor for the SSW programme, contracting out delivery to a supply of training providers. The programme is co-financed by the European Social Fund (ESF) and the Education and Skills Funding Agency (ESFA), enabling businesses to access a wide range of training at no cost to themselves.

One of Serco's SSW contracts is for the Dorset LEP area. In considering the skills and training requirements for this LEP area, the LEP recognise that:

1. The skills offer within the Dorset area is largely delivery-led and not necessarily sufficiently responsive to employer's current needs.
2. Businesses tend to operate on near-term timescales and may not necessarily be aware of their future requirements over the longer term.

1.2. Research objectives

The ESFA commissioned Serco to conduct research to understand employers' skills needs in Dorset as part of the LEP's skills planning, which forms part of their wider strategic agenda. Subsequently, Serco commissioned Winning Moves to undertake research to better understand the skills requirements of employers (public as well as private sector) in Dorset. This research will help to inform how funding for training in Dorset is spent. The purpose of the research was to understand in particular:

- The skills required by employers in the near-term – skills requirements they currently have and whether and how these are being met i.e. do they have skills gaps?
- For employers that have skills gaps, the implications of this for organisational growth and productivity.
- The skills required by employers in the medium-to-long term and how they are taking account of future technology-driven skills requirements.
- How employers currently recruit employees, the organisations they tend to engage with and whether employers have a good understanding of the skills outputs from training providers.

- Whether employers foresee greater automation of their processes and whether they have the skills in place to embrace increased digitalization.
- The extent to which employers investing in apprenticeships, and understanding any barriers that might be hindering employers from offering apprenticeships in the future.

1.3. Method overview

Winning Moves, in partnership with Serco and Dorset LEP, developed a survey for Dorset employers. Employers were engaged in two main ways:

1. **An online survey**, promoted and disseminated by Serco and the Dorset LEP through a wide range of intermediary organisations, such as the regional Chambers of Commerce, trade associations, and the Growth Hubs. This resulted in 142 responses.
2. A **telephone survey** of 100 Dorset LEP employers from a commercial database, conducted by Winning Moves.

This meant a total of 242 responses, which for the analysis in this report have been weighted to reflect the population of Dorset employers³, split by sector and size band.

Responses were monitored to try to ensure representation of the priority sectors for Dorset LEP and the Great South West aspirations, including: health / care technology, advanced manufacturing and engineering rural employers (including Agri-tech), creative / culture organisations (including digital, tourism, food and drink), and financial services. The survey was open to skills and training providers *as employers*.

1.4. Limitations and interpreting the findings in this report

Mode: The individuals the survey was targeting – ideally those with HR oversight - are typically time poor, especially those in smaller organisations for whom HR / skills development is often not a primary element of their role. An online survey enabled these respondents in particular to complete the survey at a convenient time, out of typical office hours if necessary. However, one of the inevitable challenges of online is achieving a high and representative response rate, as there is less control over response numbers and profile. It is possible that the nature of the survey was of more interest to certain profiles / employers who are more likely to engage in the training and development of their staff⁴.

³ Figures provided by Dorset LEP.

⁴ This was evident when conducting the telephone interviews, whereby some employers felt the survey was not relevant to them either because they did not employ any / many employees or because they didn't feel that they needed any support with upskilling their staff. Whilst researchers were able to explain

Sample size: The small sample sizes for sub-groups within the 242 responses (e.g. within individual employer size, sector or geographic location groups) means there should be caution in interpreting comparisons between these sub-groups, as few of the apparent differences will be statistically significant / outside margin of error.

Timing: Data collection took place between 6th January 2020 and 18th February 2020, prior to Covid-19 having a significant impact on the UK. The survey did not explore the topic, and respondents did not mention it unprompted. Whilst the responses to this survey are still valuable, if the survey were repeated now, some responses – particularly around future skills needs, and in the sudden and fundamental changes to the way many employers are now operating – would likely differ.

the relevance of the survey over the phone to these employers, thereby persuading some to participate, this would not have been the case for employers that only saw the online survey promotion.

2. Respondent profile

Employers of a range of different sectors and sizes responded to the survey. The purpose of this chapter is to summarise the profile of respondents to the survey, in terms of size, sector and industry. This helps to put findings – especially sub-group comparisons - into context. Uniquely, this section presents unweighted data, describing the profile of the 242 respondents that completed the survey.

2.1. Employer size

Respondents were asked how many individuals their organisation employed, selecting from the size bands shown in the table below. Table 1 shows that the respondent sample reflected the prevalence of SMEs in the population, but reached some large employers, with the proportion of large employers (those with over 250 employees) responding to the survey slightly higher than the proportion in the Dorset population, ensuring a wider range of employers in this group than if the sample had perfectly reflected the population; this under/over-representation is the basis for weighting the responses.

Table 1: Respondent profile by number of employees

Number of employees	Number of respondent organisations	Percentage of respondents (n=242)	Dorset population (N=30,255) ⁵
None	24	10%	71%
1-4	66	27%	
5-9	44	18%	14%
10-24	50	20%	12%
25-49	21	9%	
Total 0-49 (micro & small)	205	84%	96%
50-99	5	2%	2%
100-249	9	4%	1%
250+	21	9%	<1%
Didn't know	2	1%	
Total	242	100%	

⁵ ONS UK Business Population Statistics 2019

2.2. Sector

Again reflecting the population distribution, the majority of respondents were from the private sector, though the survey achieved representation of the public and third sectors.

Table 2: Respondent profile by broad sector

Sector	Number of respondent organisations	Percentage of respondents
Private	189	78%
Third	31	13%
Public	22	9%
Total	242	100%

Respondents were also asked to state their organisations' main sector / activity. The table below shows the wide range of sectors reached by the survey,

Table 3: Respondent profile by industrial sector

Sector	Number of respondents	Percentage
Agriculture, forestry and fishing	9	4%
Manufacturing	24	10%
Electricity, gas, steam and air conditioning supply	2	1%
Water supply, sewerage, waste management and remediation activities	1	<1%
Construction	11	5%
Wholesale and retail trade; repair of motor vehicles and motorcycles	26	11%
Transport and storage	4	2%
Accommodation and food services	11	5%
Information and communication	15	6%
Finance and insurance	7	3%
Real estate	6	2%
Professional, scientific and technical activities	22	9%
Administration and support services	8	3%
Public administration and defence	3	1%

Education	25	10%
Human health and social work	33	14%
Arts, entertainment, recreation and other services	35	14%
Total	242	100%

Those in the manufacturing or construction sectors were asked if they worked in any of the following specific sectors of interest to the Dorset LEP; advanced manufacturing, engineering, aerospace and /or the marine sectors. 16 out of the 35 applicable respondents asked said that they worked in one or more of these specialist sub-groups.

Table 4: Manufacturing / construction respondents involved in specialist sectors

Sub-sector	Number of respondents
Advanced manufacturing	5
Aerospace	5
Marine	6
Engineering	10
None of the above	19

Of those that selected 'none of the above', 10 were general manufacturers (of a wide range of products including furniture, chemicals and food) and nine were in the conventional construction sector.

2.3. Location

The table below shows the split of responses between the local authority areas that make up the Dorset LEP area. For the purpose of this research the responses have been split into the two local authorities;

1. Dorset
2. Bournemouth, Christchurch and Poole (BCP).

Table 5: Respondent profile by location

Local Authority	Number of respondents	Percentage respondents of
Dorset total	82	34%
BCP / other total	159	65%
Unknown	1	<1%

3. Skills gaps

This section summarises the current skills gaps reported by employers, and the implications of these skills gaps for organisational performance / productivity.

In summary, over half of employers reported at least one type of skills gap within their workforce, with one third reporting multiple skills gaps. The skills gaps most frequently cited were digital skills, sales & marketing, complex analytical, and leadership & managerial. Respondents that selected digital skills as a gap were also asked whether they had particular gaps in a range of specific digital skills - digital marketing, data analysis and CRM were the digital skills gaps most commonly selected by these employers.

In terms of implications for organisation's performance and productivity, the skills gaps that appear - from responses - to be having the biggest impact are job specific, technical / practical, leadership & managerial, and sales & marketing.

3.1. Current skills gaps

Respondents were asked if they had any skills gaps, based upon the following definition of skills gap; *“skills that your organisation needs, but either does not have at all, or at the right level to meet your goals.”* All were given a list of potential gaps to select from, and were asked to consider all of their workers, not just those that may normally take part in training. Figure 1 shows over half (56%) of employers reporting at least one skills gap within their organisation.

Figure 1: Proportion of employers reporting skills gaps

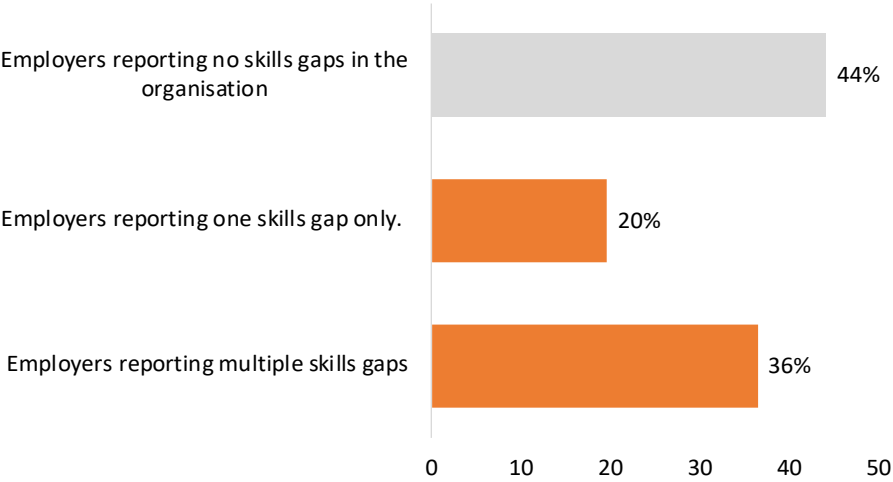
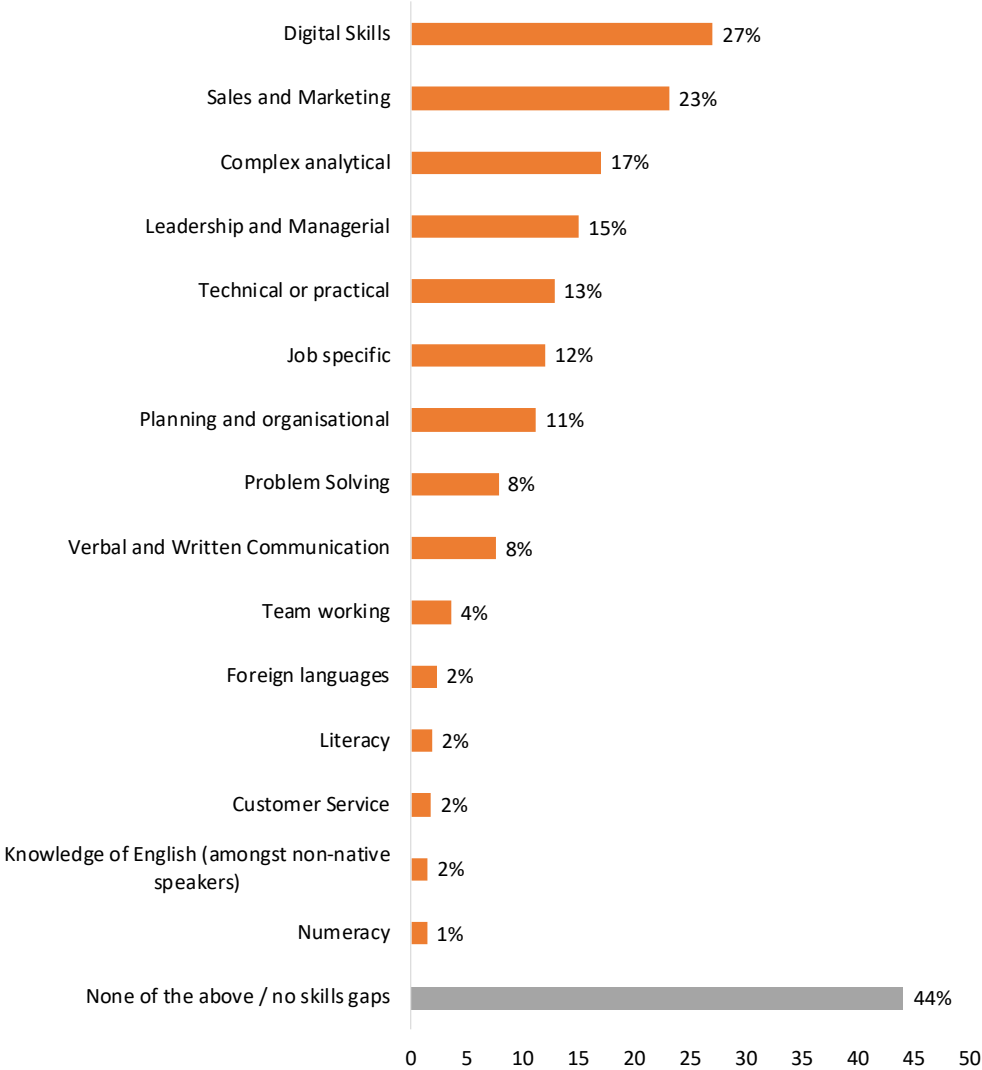


Figure 2 shows the percentage of employers reporting each of the specific skills gaps prompted:

Figure 2: Skills gaps reported by employers (n=242, N=34,066)



Examination of the profile of employers reporting at least one skills gap showed no disproportionate location or employer size. However, employers in professional, scientific and technical services, and administration & support services, seemed most likely to report a skills gap. Employers in the construction, wholesale & retail, and real estate sectors seemed least likely to report a skills gap.

The skills gap most frequently selected by respondents was digital skills, with over a quarter of respondents selecting it. This is closely followed by sales & marketing skills and complex analytical skills.

Respondents that selected ‘job specific’ skills gaps were asked to specify further. Most of their responses fell into one of the following categories:

- **Engineering** (11 of 43 respondents) – a wide range of areas such as such “*systems engineering*”, “*technical engineering*”, and the manufacture of motor vehicles.
- **Health & social care** (9 respondents) – respondents cited skills gaps relating to the following; care assistants, physiotherapists, and adults’ and childrens’ counsellors.
- **Finance** (6 respondents) – accountancy, tax advice, financial management and financial planning.
- **Construction** (4 respondents) – gaps cited in plumbing, electrical work and carpentry.
- **Fundraising** (3 respondents) – cited by third sector organisations, but no elaboration provided.
- **Legal skills** (2 respondents) – respondents did not expand on this.

Analysis was conducted to explore differences in the profile of organisations citing specific skills gaps. Many skills gaps (digital, sales and marketing, leadership and managerial, technical and practical, teamworking, customer service, verbal & written communication, and numeracy) were cited across employer profiles. However, albeit not statistically significant, certain skills gaps seemed to be reported disproportionately by certain sectors:

Table 6: Skills gaps within specific sectors

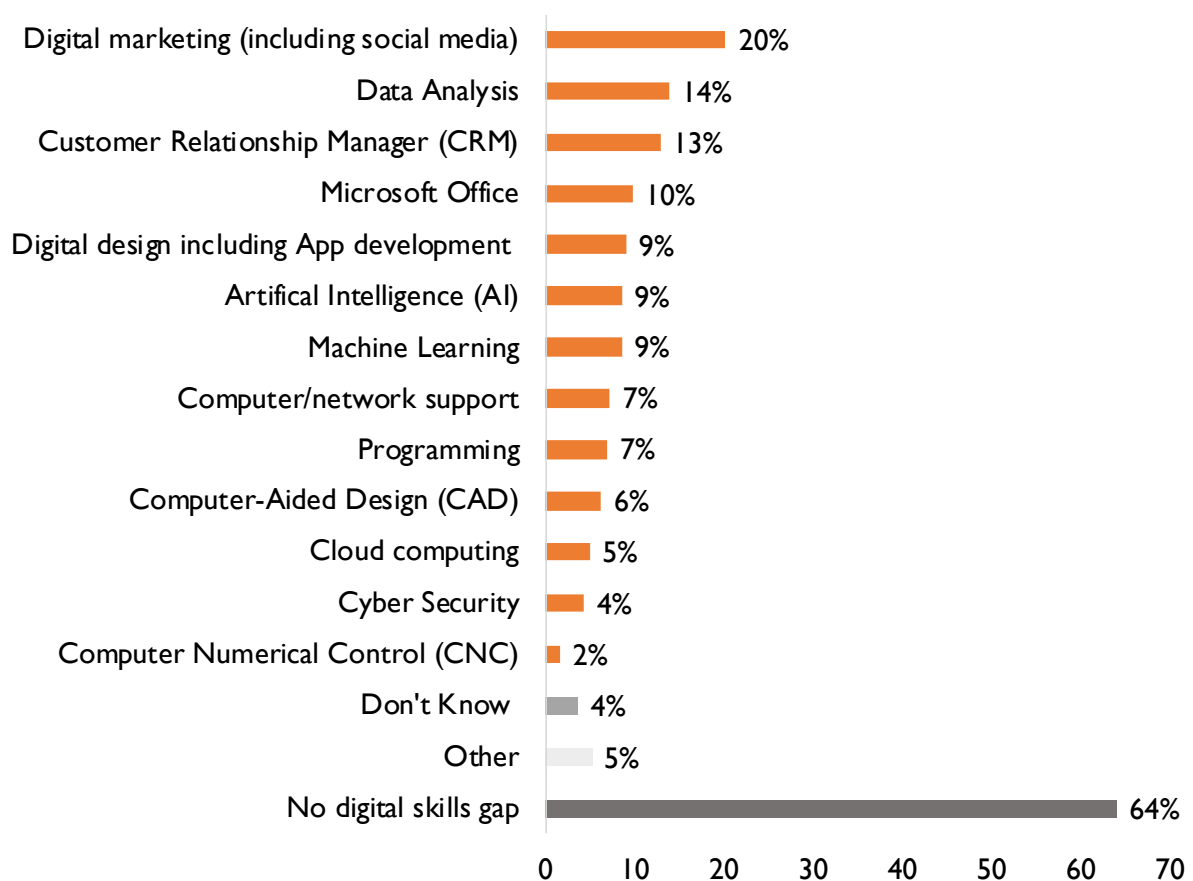
Skills gap	Sectors reporting this skills gap
Complex analytical	Finance and insurance, arts and entertainment, ICT, manufacturing, professional, scientific and technical services.
Planning or organisational	Manufacturing, arts, entertainment and recreational services and ICT.
Problem solving	Manufacturing and finance / insurance sectors.

For skills gaps selected by small proportions of respondents (e.g. foreign languages or literacy) it was not possible to discern links between the gaps and the types of employers selecting them.

3.2. Digital skills

When asked if employers had any skills gaps within their organisation, two-fifths (40%) of employers reported digital skills gaps in their workforce. These respondents were prompted with a list of more specific digital skills, and were asked to select any that they felt were a gap in their organisation.

Figure 3: Types of digital skills gaps in current workforce (n=242, N=34,066)



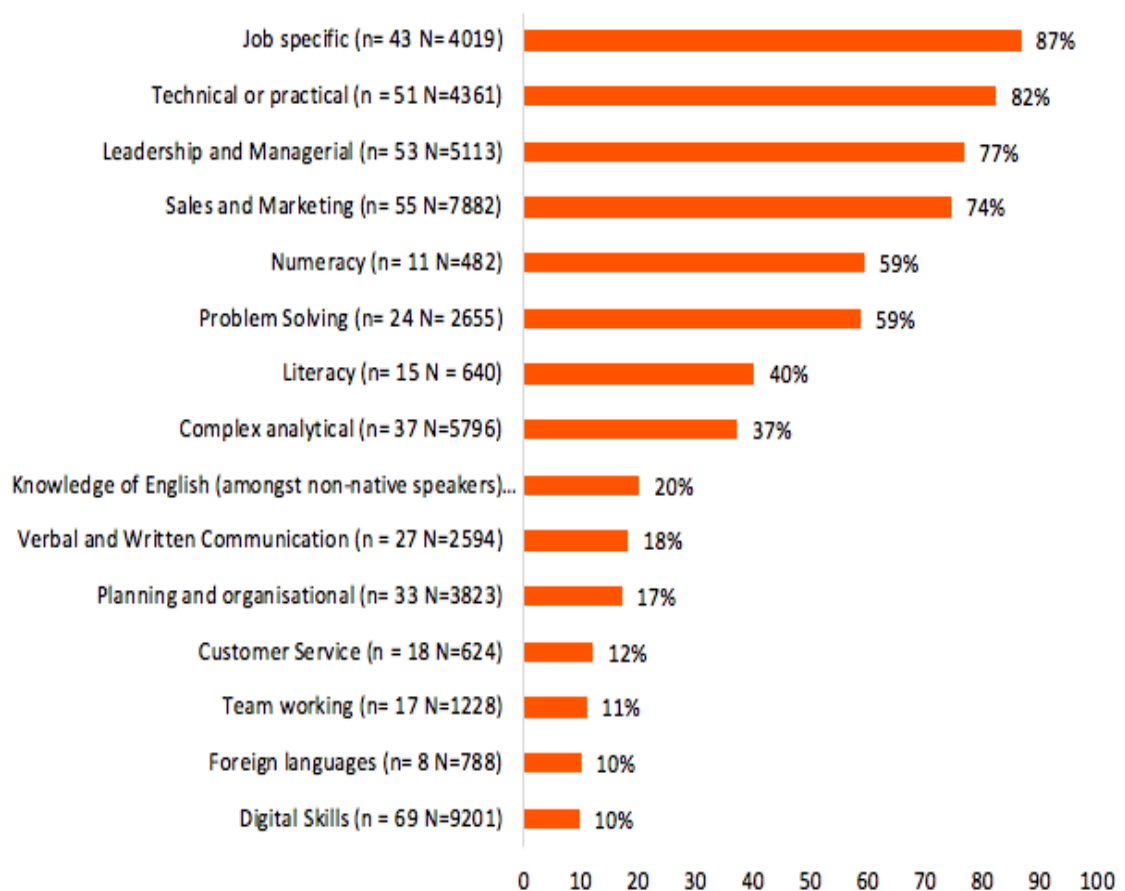
The digital skill most frequently selected was digital marketing (20% of all respondents), followed by data analysis and CRM. Analysis did not show significant differences between those selecting these types of digital skills and those that did not.

Of the respondents that selected 'other' digital skills gaps, only two specified. One cited "*blended learning technologies*", the other felt that they lacked knowledge regarding GDPR rules for digital marketing.

3.3. Implications for employers

Respondents that cited one or more skills gaps were asked to select up to three that they felt were having the biggest impact on their performance / productivity. Figure 4 shows, for each skills gap, the proportion of respondents reporting it who then selected it as having one of the biggest impacts. For example, out of the respondents that selected 'job specific skills' as a gap, 87% reported it to be one of the top three gaps impacting on their organisation's performance.

Figure 4: Skills gaps with biggest impact on organisational performance



All respondents reporting at least one skills gap were asked to rate (on a scale of one to five) the extent to which the gap(s) are having an on five Key Performance Indicators (KPIs).

Figure 5: Employers' views on the extent to which their skills gaps are impacting on five KPIs (n=158, N=19,054)

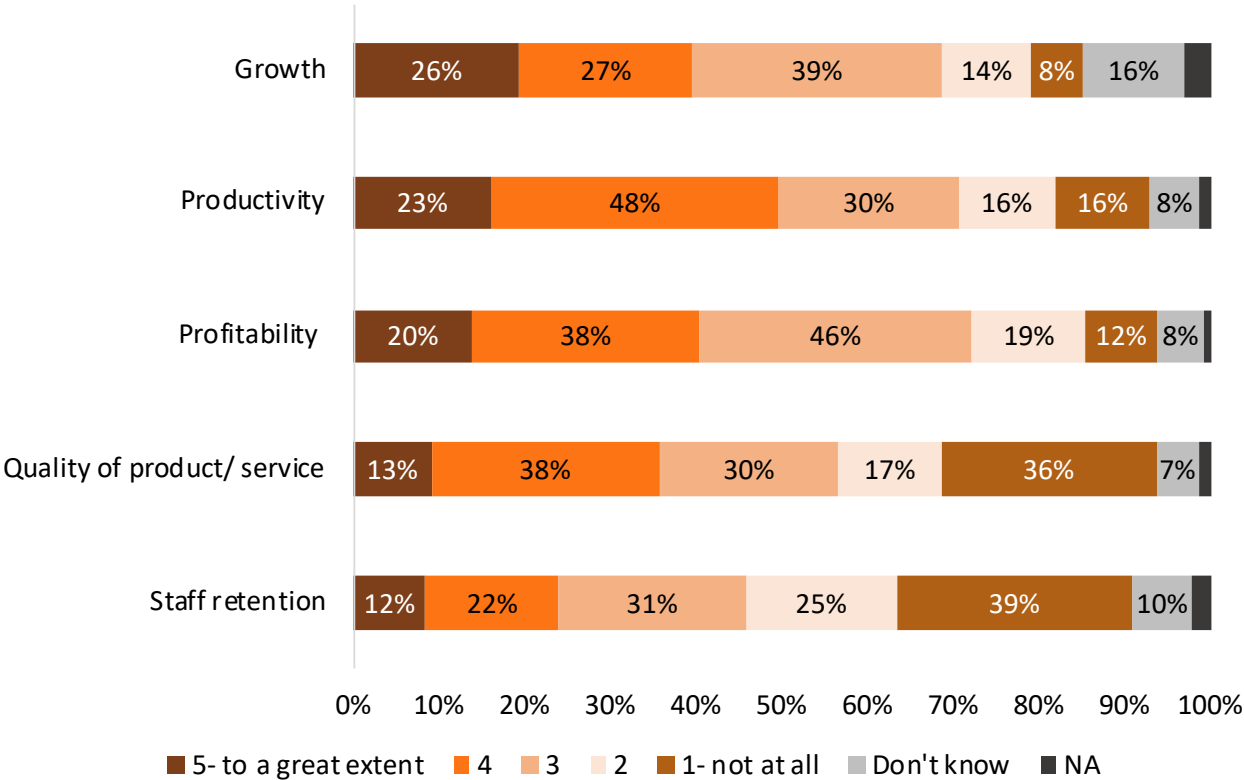


Figure 5 shows that where skills gaps are having impacts, these are felt to be primarily on organisational performance rather than staff satisfaction.

In terms of specific types of skills gaps impacting upon specific KPIs, sample sizes are too small to identify statistically significant correlations, but as might be expected there does seem to be some association between respondents reporting leadership / managerial and sales / marketing skills gaps, and reporting substantial impacts on growth and productivity KPIs.

3.4. Reasons for skills gaps

Respondents reporting at least one skills gap were provided with a list of potential reasons for the skills gap(s) and asked to select all the reasons that they felt applied:

Table 7: Reasons for specific skills gaps

Skills gap	Reasons for each skills gaps (% of those citing the gap) ⁶
Digital (n=39)	<ul style="list-style-type: none"> • Lack of appropriate training courses (46%) • Insufficient training budget (36%) • Low number of applicants with the required skills and qualifications (28%) • Training provision is not easily accessible (13%) • My organisation does not have a workforce development plan (13%) • Inflexible times/durations of training or courses (10%) • Staff are not seeking to upskill (10%) • My organisation is not prepared/able to release staff (5%) • Lack of work readiness and knowledge (5%) • Poor careers advice aligned to the sector (5%)
Leadership and management (n=33)	<ul style="list-style-type: none"> • Insufficient training budget (52%) • Low number of applicants with the required skills and qualifications (46%) • Lack of appropriate training courses (27%) • My organisation does not have a workforce development plan (24%) • Training provision is not easily accessible(15%) • My organisation is not prepared/able to release staff (15%) • Staff are not seeking to upskill (15%) • Inflexible times/durations of training or courses (9%) • Staff judged not capable of progression (9%) • Limited career progression prospects/mostly temporary staff (9%) • Lack of work readiness and knowledge (9%)

⁶ Reasons selected by less than 5% excluded.

<p>Sales and marketing(n=38)</p>	<ul style="list-style-type: none"> • Low number of applicants with the required skills and qualifications (37%) • Insufficient training budget (34%) • Lack of appropriate training courses (18%) • Lack of work readiness and knowledge (16%) • Staff are not seeking to upskill (13%) • My organisation does not have a workforce development plan (11%) • Inflexible times/durations of training or courses (8%) • Training provision is not easily accessible(5%)
<p>Technical or practical (n=30)</p>	<ul style="list-style-type: none"> • Low number of applicants with the required skills and qualifications (63%) • Lack of appropriate training courses (23%) • Insufficient training budget (17%) • Lack of work readiness and knowledge (13%) • Training provision is not easily accessible(10%) • Staff are not seeking to upskill (10%) • Inflexible times/durations of training or courses (7%) • Poor careers advice aligned to the sector(6%)
<p>Job specific skills (n=34)</p>	<ul style="list-style-type: none"> • Low number of applicants with the required skills and qualifications (47%) • Lack of appropriate training courses (27%) • Poor careers advice aligned to the sector(26%) • Lack of work readiness and knowledge (24%) • Training provision is not easily accessible(21%) • Insufficient training budget (15%) • Inflexible times/durations of training or courses (12%) • My organisation is not prepared/able to release staff (9%) • Staff are not seeking to upskill (6%) • My organisation does not have a workforce development plan (6%)

Insufficient training budget and / or low number of applicants appear to be the main causes of skills gaps for the majority of these skills gaps. However, almost half of employers (46%) that cited a gap in digital skills felt that this was because there was a lack of appropriate training courses. Organisational approaches to, and issues around recruitment are explored in chapter 5.

4. Training provision

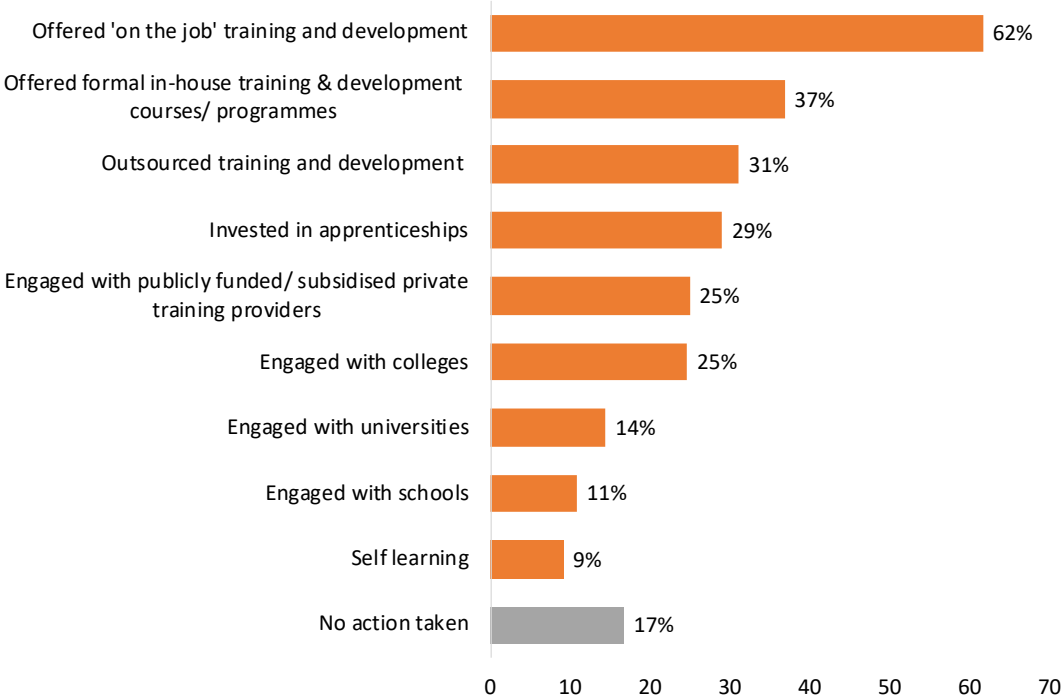
This chapter reports the extent to which employers had taken action in the last twelve months to improve the skills of existing employees, in particular exploring engagement with external training providers and employers' likelihood of doing so in the future. It also summarises employers' views on improvements they would like to see to training provision in Dorset.

The majority (83%) of employers reported taking action in the last twelve months to upskill existing employees, predominantly in-house training. And the majority (82%) say they are likely to take action to upskill employees in the future. The main improvements to training provision in Dorset that employers would like to see relate to accessibility (location of training provision), funding towards the cost of training and relevance of content.

4.1. Actions taken in the last 12 months

All respondents were asked if they had taken action to improve the skills of existing employees in the last twelve months, and were provided with a list of possible actions.

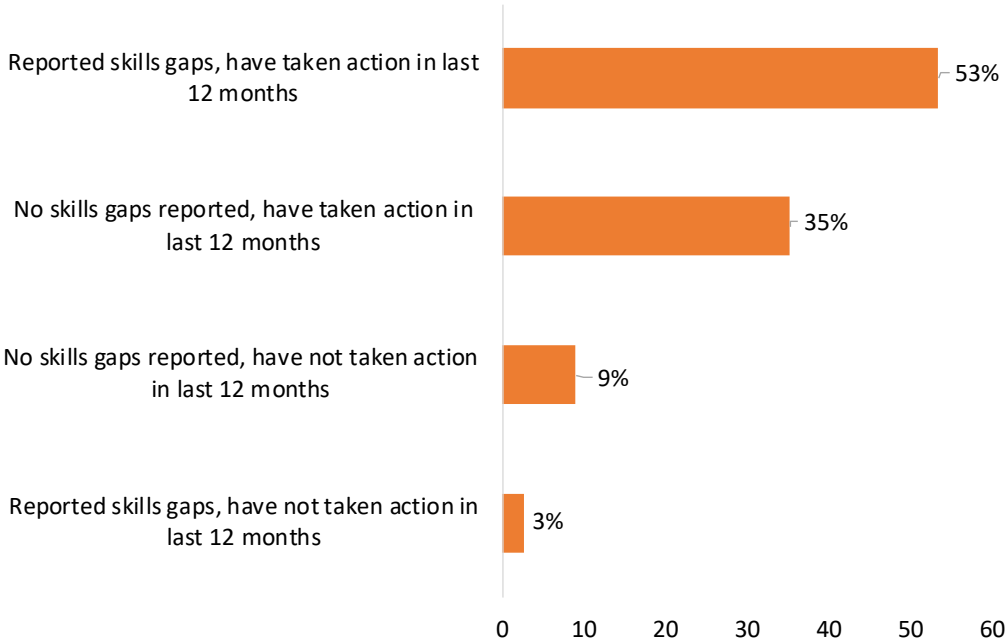
Figure 6: Actions taken to increase skills in existing workforce (n=242 N=34,066)



The majority of employers (83%) report having taken at least one action in the last twelve months to improve the skills of existing employees. A fifth of employers had taken five or more of the prompted actions. The group not taking any action were micro-businesses.

Figure 7 compared acknowledgement of skills gaps to whether action had been taken in the last twelve months, albeit the actions taken may not have been in relation to the current gaps. The majority of employers reporting skills gaps have taken up-skilling action in the last twelve months, with just a small proportion of respondents (3%) reporting a skills gap but not having taken any action.

Figure 7: Cross-tabulation of reported gaps and action? (n=242, N=34,066)



In-house training

Two thirds (67%) of employers reported that they have offered some form of in-house training in the last twelve months. 62% report having provided on-the-job training to employees and 37% reported offering formal in-house training courses / programmes.

External training

59% of employers reported engaging with one or more training providers / external training, 68% of those citing a skills gap. Most common (31%) was outsourcing training to an external provider managing and delivering training on behalf of the employer⁷. 29% of all employers reported offering apprenticeships in the last year [though this seems to contrast with the numbers currently employing any – see below chapters] and 25% reported engaging with colleges or private training providers.

⁷ The proportion of employers reporting that they have outsourced training to an external provider is higher than anticipated – it is possible that respondents interpreted the definition of 'outsourcing' as an outside organisation delivering tailored training for an organisation, rather than outsourcing the whole training and development function which is typically only undertaken by large organisations, which was what was meant by the term used in the survey.

Other training

Amongst those that selected 'other' training (9% of employers in total), responses related to Continuous Professional Development. Two respondents mentioned this term specifically and others described "self-learning", "reading things online and in books", or "self-teaching from the internet". These respondents were all sole-traders or a partnership organisation with no other employees.

Reasons for not taking action

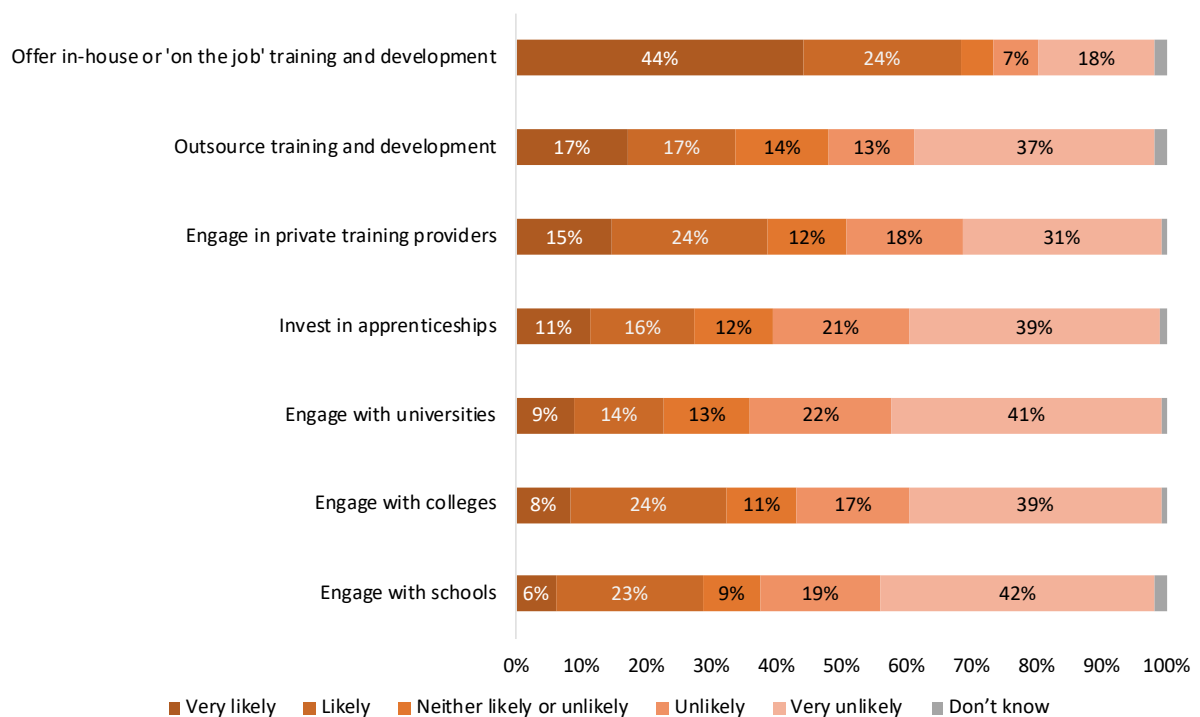
17% of employers said that they had not taken any action to reskill / upskill their workforce in the last twelve months. Of this group, about a third (31%) had reported one or more skills gaps. Those not taking any action were asked why not; the following themes were evident from responses:

- The respondent worked on their own or in a micro-business with longstanding / well-defined tasks and as such they felt that up-skilling was not necessary or relevant to them; *"I don't think it is really required because it is just the two of us and we have what we need really."* One such respondent did go on to say that they had just taken on their first member of staff and was not sure where to start with regards to training provision.
- They don't see their issues as a 'training need'. Rather than engaging in training existing employees through traditional training courses they have sought advice / support through a business support provider (e.g. Business South West), through an independent consultancy or through family and friends. For example, one respondent commented *"I am not aware of how to expand my business on my own. I'm currently getting some help from Business Southwest."* Though these respondents did not explicitly cite this, looking across their responses, it appears that these organisations felt they had skills gaps in leadership and management and / or sales and marketing. This might imply that some employers regard their own / staff skills gaps as business development, rather than skills, needs.

4.2. Likelihood of future engagement with training providers

All respondents were asked how likely they are in the future to take any of a prompted list of actions to upskill their existing workforce. No timeframe was given. Responses are shown below:

Figure 8: Likelihood of taking action in the future (n=242, N=34,063)



The majority of employers (82%) said they would be likely or very likely to take one or more actions in the future to upskill their existing staff. The data did not highlight any clear correlations between organisation profile and the types of training they are likely to engage with.

Looking across responses, employers tended to expect to take in future the same type of action that they had taken in the last twelve months, hence two thirds of employers (68%) saying they are likely or very likely to offer in-house or on the job training to employees in the future.

4.3. Improvements to training provision

All respondents were asked if they felt any improvements could be made to local training provision in Dorset; just under half of respondents (48%) did so. A number of themes emerged from verbatim responses; these are set out below, ordered by the frequency (based on unweighted data) with which they were cited:

1. **Improved accessibility**, though preferences varied. A few respondents specifically commented that training should be more 'local' rather than focused in the main towns of the county. A higher proportion of Dorset respondents (compared to BCP respondents) cited accessibility as an issue, suggesting that this is more of an issue for rural employers. Some sector-specific training (e.g. for the creative and digital sectors) tends to be in London, increasing costs and limiting accessibility. *[Issue cited by 33 of 120 respondents].*
2. **Funding for training**; as well as a desire for more subsidised training, some respondents felt there was a need for clearer information about external funding for training, one respondent commenting that it would be useful to talk to and gain advice from an impartial individual / organisation. The need for funding was cited by all types of employers, but in particular those in the care, early years, and voluntary / community⁸ sectors. *[Issue cited by 22 of 120 respondents].*
3. More focus in education and training on **preparing young people** for work; "*working in complex environments*" and "*workplace attitude*" were specifics suggested by respondents. One respondent also felt young people should be choosing a career path based on experience and exposure to a wide range of industries. *[Issue cited by 20 of 120 respondents].*
4. **Improved visibility and information** on training is available in the county. One respondent mentioned it would be useful to have a county-wide training directory detailing all the courses available. Another said that they find it difficult to assess the quality and credibility of some (particularly smaller) training providers. *[Issue cited by 11 of 120 respondents].*
5. **Stronger relevance to small employers**; 'Dorset Business Bites' was cited as an example of training relevant and of value to small employers. However respondents did not explain

⁸ Several representatives of this sector also commented on training not being suitable for the sector i.e. often focusing on / being couched in terms of a business' financial performance, not the primary goal for the sector.

why they felt training is not relevant to smaller employers. *[Issue cited by 8 of 120 respondents]*.

6. **Improving apprenticeships;** specific suggestions were to enable apprentices to go 'on loan' to other industries to gain wider experience, and removing the Apprenticeship Levy (instead offering tax relief to employers to train school leavers). Comments regarding improvements to apprenticeships were generally made by those in the manufacturing and engineering sectors. *[Issue cited by 7 of 120 respondents]*.

7. **Greater opportunities for adults (aged 25+)** to retrain in in-demand skills, other than through apprenticeships, which one respondent said "*can feel like a backwards step for individuals of this age*". *[Issue cited by 4 of 120 respondents]*.

5. Recruitment

This chapter outlines employer concerns regarding recruitment of new employees, the extent of hard-to-fill vacancies in the last 12 months, and the methods employers are using to recruit.

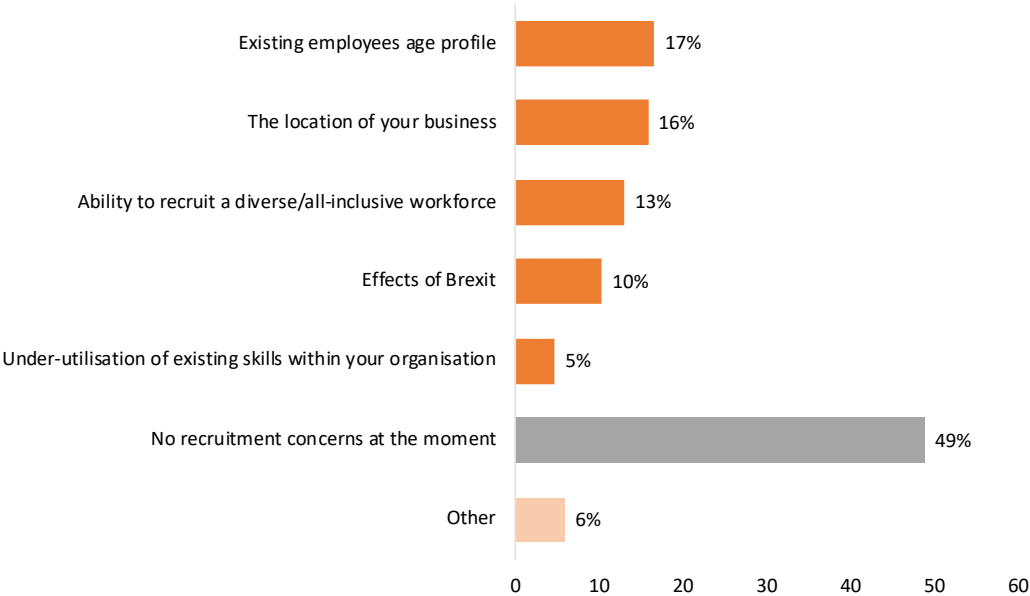
There did not appear to be a predominant recruitment concern for Dorset employers; similar proportions selected the potential concerns prompted in the survey - the age profile of their existing employees, the organisation's location, their ability to recruit a diverse workforce and the effects of Brexit.

A quarter of employers reported having one or more hard-to-fill vacancies in the last twelve months. The most frequently selected reason for this was applicant quality – sub-optimal skills, attitude, or motivation for the job. Organisations are using a range of methods to recruit new employees, perhaps unsurprisingly focused mainly on free or low cost channels.

5.1. Key concerns

Respondents were asked the following: 'thinking about the recruitment and retention of employees, which of the following are particular concerns for your organisation at the moment?' They were provided with a list of potential concerns and asked to select all that apply.

Figure 9: Concerns about recruitment selected by employers (n=242, N=34,066)



Around half of employers (51%) selected at least one of the listed concerns. Broadly similar proportions selected the different concerns, except few acknowledged under-utilisation of existing skills as a concern. Where concerns were selected, respondents were asked to elaborate; their responses are summarised in the following sub-sections.

Aging workforce

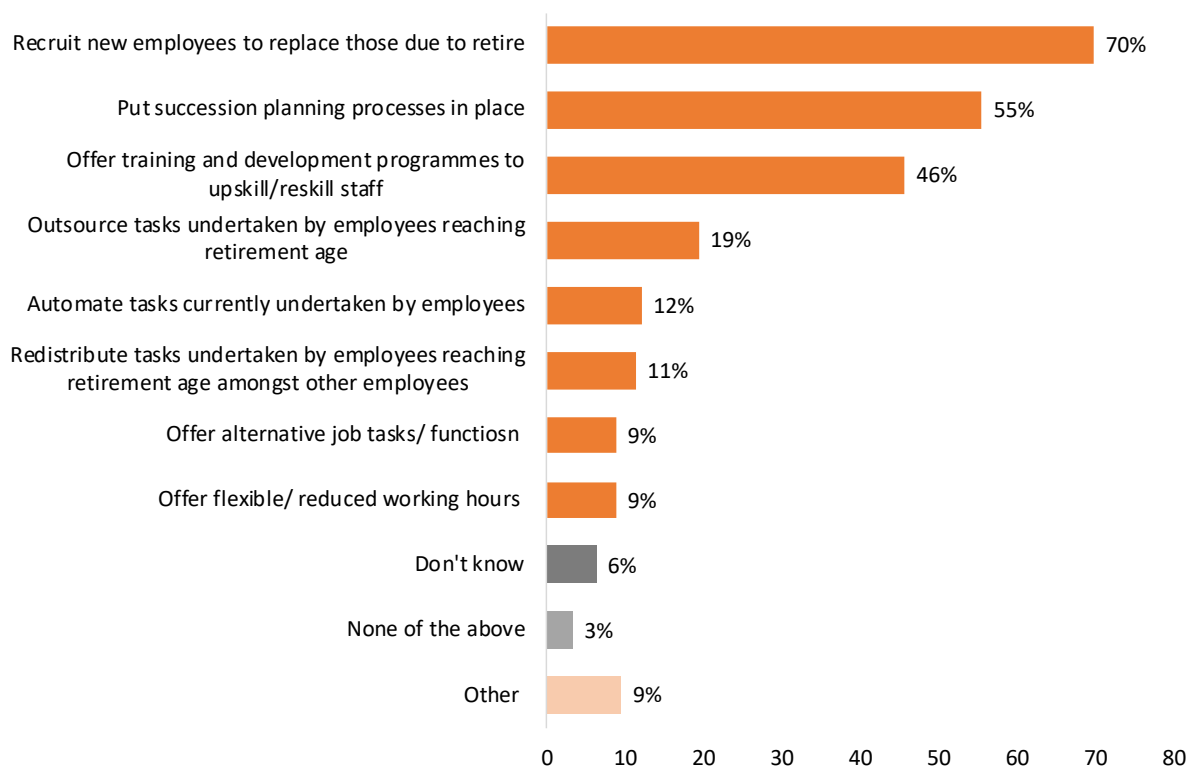
17% of all respondents cited an aging workforce as a recruitment concern. Within this group there is disproportionately high representation of employers from sectors with a lot of manual roles - agriculture, forestry and fishing sector, human health and social work and manufacturing sectors. This concern did not appear to be more prevalent amongst particular geographic areas of the county or amongst employers of a particular size. The detail of concerns fell into one of the following:

- Losing valuable skills in existing older employees that may be difficult to replace *[cited by 20 of 54 respondents]*. And linked to this, perceptions that younger people coming through the system have insufficient skills and / or do not have the right attitude / mentality, and are therefore not suitable to replace the existing employees that are due to retire. *[16 respondents]*
- Older employees not having the right skills. Areas cited by respondents included IT literacy / digital skills and the physical aspects of some roles in sectors such as construction, manufacturing and care. *[19 respondents]*

- Small businesses where the owners and / or managers are close to retirement age, and the employer has not yet looked at (or does not know where to start with) succession planning. [6 respondents]
- Older employers choosing not to retire, which reduces the need to recruit new staff and create opportunities for younger employees in particular. [2 respondents]

Employers selecting an aging workforce as a concern were asked what they were planning to do in response; their responses depended largely on the specific issue. Responses are shown in Figure 10 and percentages are based on the subgroup of respondents that selected aging workforce as a concern.

Figure 10: Concerns about recruitment (n=54, N=5,656)



Two respondents felt that the most likely response to their aging workforce issue would be to scale down or close the business entirely. Another said they would be looking into automation.

Organisation's location

There were no particular organisational profiles more likely to be selecting this. Concerns related to:

- The “*wide geographic spread of the county*” and “*poor public transport*” meaning that “*employees usually require their own transport*” to commute to their workplace and / or travel around the county for work where required. [cited by 13 employers across the Dorset and BCP areas].
- The challenge for Bournemouth-based employers in competing with London and other major UK cities. Although these respondents did not explain exactly what they meant by this sentiment, looking across responses it appears some perceive Bournemouth to offer less in the way of leisure and recreation activities. [cited by 5 respondents].
- Dorset being an expensive area to live, which puts people off from moving to the county to work [cited by 3 respondents].

Under-utilisation of existing skills

Although only selected by a small number of respondents overall, a disproportionate number of large employers selected this recruitment concern (20% compared to 3% of employers with less than 250 employees). This may be because the larger the workforce, the more difficult it is to track the skills of all employees and how they are being used, and / or because larger organisations can be less agile and flexible in how they use their resources.

Several respondents also acknowledged that they do not know whether or how they are under-utilising skills, but recognise that they could potentially be missing out on opportunities by not knowing.

Diverse / all-inclusive workforce

This concern appeared to be more prevalent in large employers (who may be more likely to have an equal opportunities policy in place / scope to recruit a more diverse workforce). Most respondents selecting this concern explained that they do not feel they are able to secure a diverse workforce because they do not get applicants from particular groups. Respondents mentioned:

- Issues attracting women into some sectors (cited by manufacturing, engineering and ICT respondents specifically).
- The population of Dorset not being very ethnically diverse and this tending to be reflected in the applicant / candidate pool.
- A lack of applicants with a disability applying for jobs.

One respondent also suggested that their recruitment / advertising approaches could probably be improved to help recruit a more diverse workforce, although they were not clear how.

Effects of Brexit

Employers that cited the effects of Brexit as a concern came from a range of sectors. Although differences were not statistically significant, large employers seemed more likely to cite this concern than smaller employers, as were employers based in the BCP area compared to the Dorset area. Responses of those seeing the effects of Brexit as a concern for their recruitment covered the following:

- Existing European employees that have already relocated or are planning to relocate. One respondent commented that they have set up a new office in Spain for an employee that has relocated in order for the individual to continue working for them. Other respondents are concerned about how they will replace such employees. This concern was cited particularly by respondents from the care, hospitality and construction sectors. *[cited by 21 of the 42 respondents who selected Brexit as a recruitment concern].*
- A significant proportion of employees in the hospitality industry coming from Europe, so potentially insufficient numbers of candidates from the continent. *[Cited by 19 respondents].*
- Uncertainty affecting overall performance, which may have an impact on the number of employees required. *[Cited by 12 respondents].*

Other concerns

Other concerns cited by respondents included:

- The difficulty in finding employees for seasonal employment, lower-paid work, and work in industries with *perceived* poor reputation / poor career prospects; as one respondent in the care sector explained *“the reputation of the industry puts people off...[it’s] linked with unsociable hours and a perception that it is a dead-end career.”*
- Inability to retain apprentices after completion of their training, as they are often in great demand, therefore in effect, as one engineering respondent described, training a workforce for another employer’s benefit.

5.2. Hard-to-fill vacancies

All respondents were asked whether, in the last twelve months, they had any hard to fill vacancies. Almost a quarter (23%) reported that they had. The research did not find any

significant differences in the profile of organisations reporting / not reporting a hard-to-fill vacancy, though there was some link with those citing Brexit as a recruitment concern.

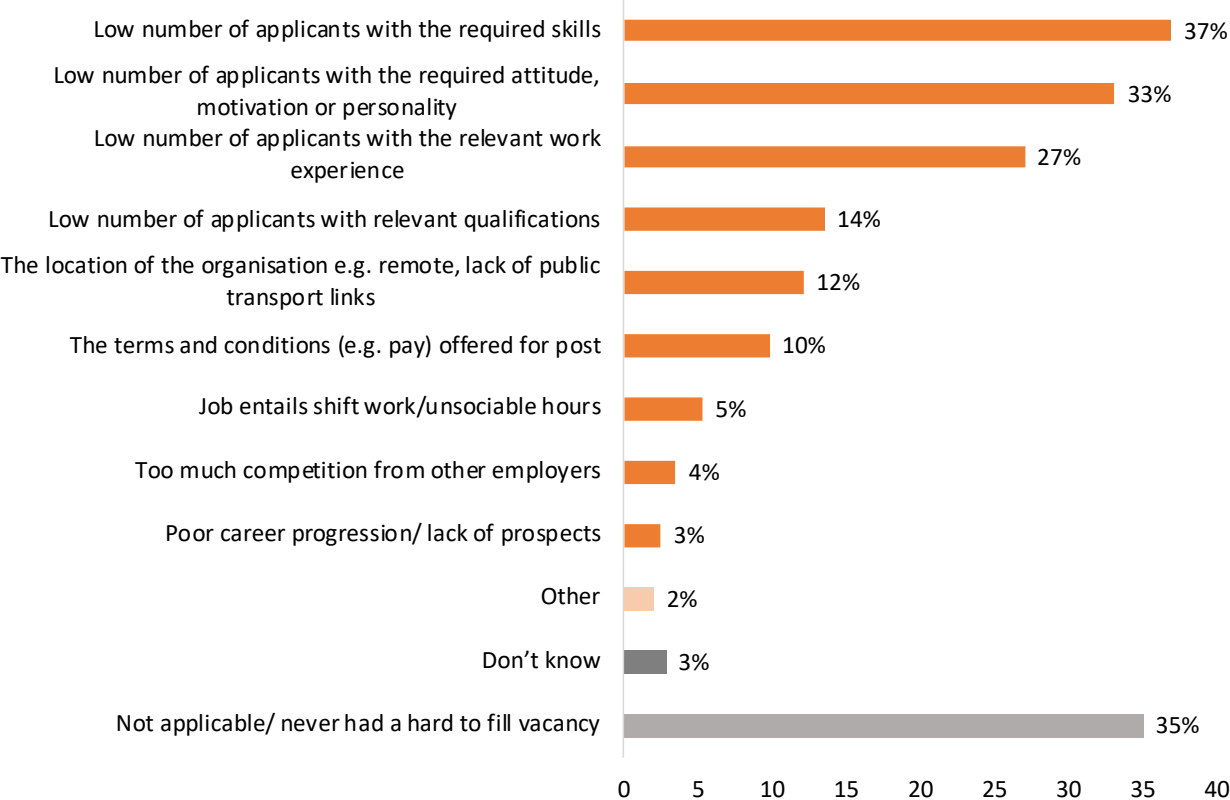
Respondents were asked to specify job roles that they found hard to fill in the last twelve months; the most commonly cited somewhat reflected the sectors responding to the survey:

- Manufacturing / engineering roles (various). *[Cited by 25 respondents reporting hard-to-fill vacancies].*
- Sales and marketing roles e.g. business development managers, account managers, PR *[Cited by 21 respondents].*
- Chefs and other hospitality roles such as waiting and front-of-house staff *[Cited by 12 respondents].*
- Roles within the health and social care sector such as youth workers, social workers, relationship counsellors, well-being coaches. *[Cited by 11 respondents].* Some employers require care staff to cover both day and night shifts and also require individuals with their own transport to travel around the county as part of the role.
- Other general roles mentioned included accounting / finance (4) and legal roles (3).

Causes of hard to fill vacancies

All respondents were provided with a list of potential causes of hard-to-fill vacancies and were asked to select all they felt had applied / could apply to their organisation:

Figure 11: Typical causes of hard to fill vacancies (n=242, N=34,066)

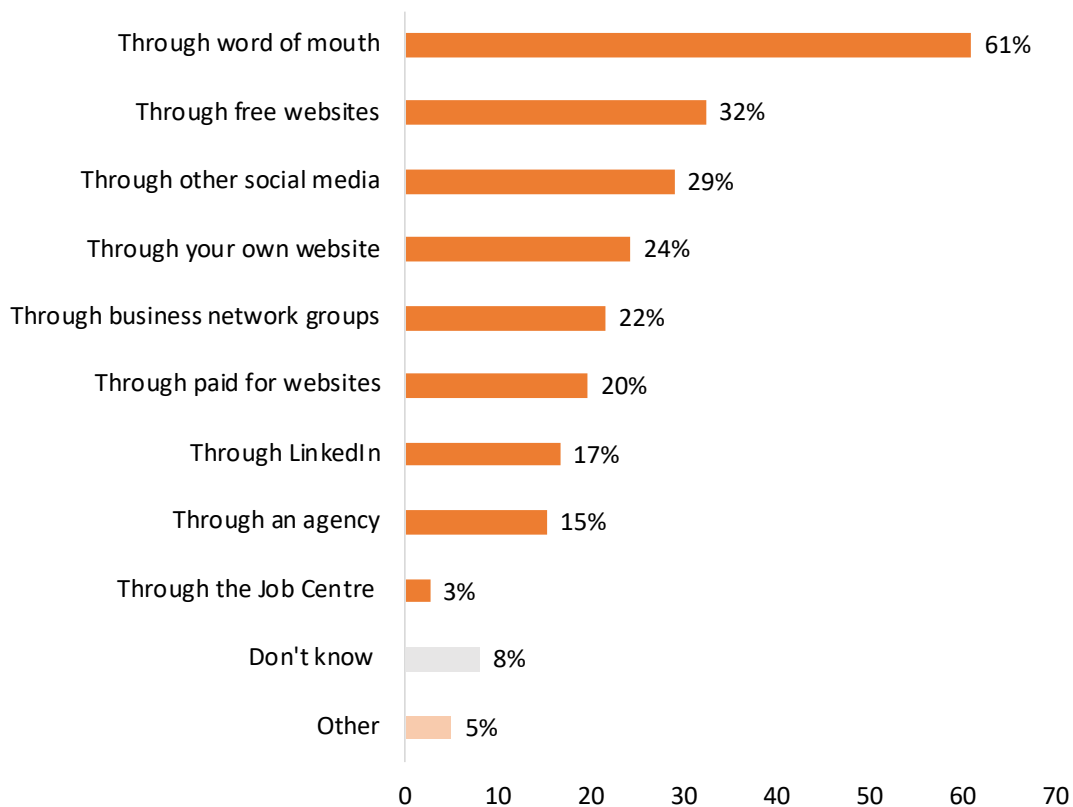


Overall, perceived applicant deficiencies were by far the most commonly selected reasons for hard-to-fill vacancies, with the highest-selected organisational deficiency being its location.

5.3. Recruitment approach

All respondents were asked how their organisation typically advertises or promotes their vacancies, and were provided with a list to select from:

Figure 12: Recruitment approaches used by employers (n=242, N=34,066)



Organisations were using a range of approaches to recruit new staff, particularly free or low cost methods such as word of mouth, free websites, social media their own website or through networking.

Where respondents selected 'other' recruitment approaches, these included recruiting internally from within their own organisation, or using sector / trade specific forums and websites (respondents did not specify whether the latter are free).

All respondents were asked which if any from a list of local organisations they had used to try and recruit new employees,. Just under half of employees (44%) said that they have engaged with one or more of these organisations in their recruitment.

Figure 13: Organisations engaged to recruit new employees (n=242, N=34,066)



Around a quarter of employers had not engaged with any of the prompted types of organisation.

‘Other’ organisations used by respondents to recruit new employees included the local authority and the local radio station.

6. Future skills

This chapter summarises the skills needs that employers envisaged in the next three to five years, the extent to which employers foresee greater automation and digitalisation of their processes, and the extent to which they feel they have the skills to embrace this. It is worth reiterating that expectations of digitalisation may be very different subsequent to the Covid-19 crisis.

One third of employers say that they think their skills needs will change in the next three to five years, and in particular expect to require more staff with digital, technical and sales and marketing skills.

Whilst most (65%) feel that they have the appropriate skills to embrace automation and digitalisation within their organisation, around a quarter (24%) say that they do not, with a further 11% unsure. Two thirds of employers envisage at least some automation in their workplace; although most do not think it will impact on their existing workforce numbers.

6.1. Skills required in the next 3-5 years

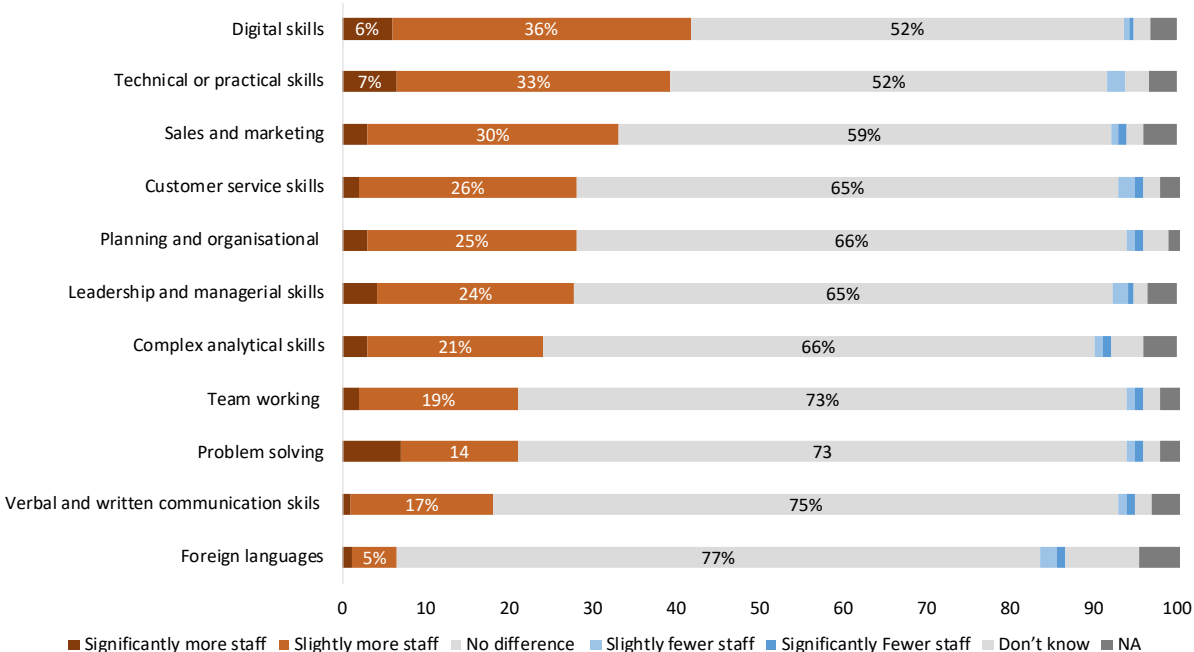
All respondents were asked whether they expected their skills needs to change in the next three to five years. Over a third of employers (38%) did so. A further 12% were unsure. Although not statistically significant, employers in the professional, scientific and technical services sector most commonly agreed. Those in the wholesale and retail sector were least likely to do so.

Of those that expected their skills needs will change, the following were mentioned:

- By far the most commonly cited was embracing general changes in technology, varying from advanced technology in the manufacturing and engineering sectors, to the care sector digitalising processes, meaning that care staff will need to be able to use tablets. *[Cited by 56 of 91 respondents expecting any change].*
- The ability to use social media effectively and in a greater capacity, cited by all types of employers. *[Cited by 7 respondents].*
- The need to become more customer-focused and provide better customer care (respondents did not elaborate on this). *[Cited by 4 respondents].*
- To better understand - and ensure compliance with - data protection. *[Cited by 3 respondents].*

To obtain a more detailed picture of future skills needs, all respondents were then asked to say whether, for each of a prompted list of skills, they thought their organisation would need more or fewer staff with those skills:

Figure 14: Changes in requirements for certain skills (n=242, N=34,066)



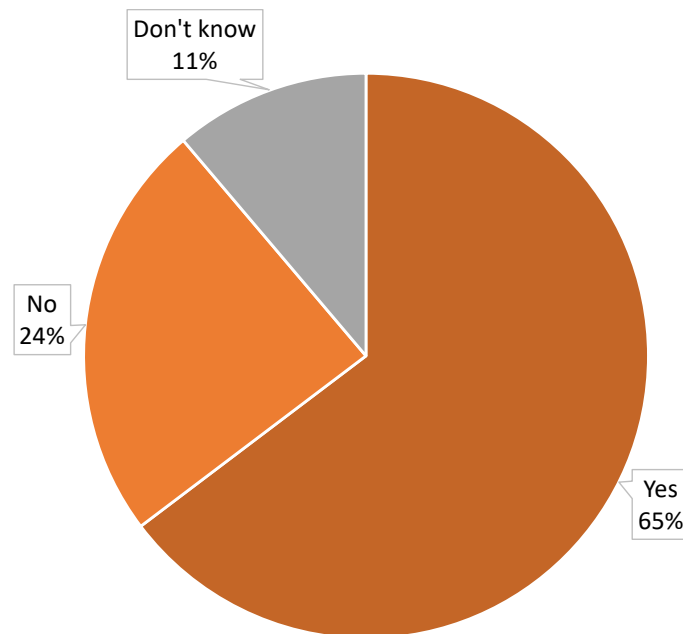
Of the skills prompted in the survey, those most likely to be required in greater numbers (amongst the respondent employers) are digital skills, technical / practical skills and sales & marketing skills.

Only small proportions (up to 3% for each skill type) envisaged needing fewer staff with the specified skills.

6.2. Automation and digitalisation

All respondents were asked if they feel their organisation has the appropriate skills to embrace digitalisation and automation, using the following definition: “*automating production or administration or bringing new technology into their organisation*”.

Figure 15: Does your organisation have the appropriate skills to embrace digitalisation / automation in your workplace? (n=242, N=34,066)



Two thirds feel they have the appropriate skills. Smaller organisations were less likely to feel they have the appropriate skills, though some do not envisage much automation of their activities anyway.

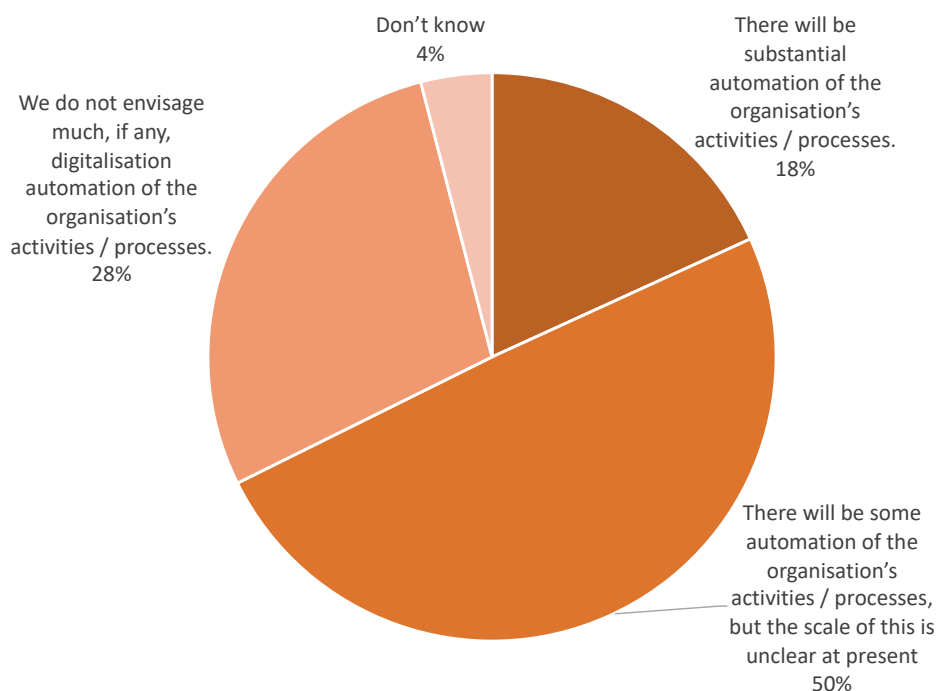
Respondents not feeling they had the skills to embrace digitalisation and automation were asked why they thought that was the case, and what the gaps in their organisation might be. Analysis of their responses suggests the following main themes:

- A lack of understanding as to how and why they could benefit from digitalisation and automation, with some respondents feeling that it isn't relevant to their industry / organisation. However, other organisations with a similar profile saying otherwise suggests that for some organisations there could be an awareness / understanding gap.

- Insufficient training of staff in digital technologies; *“As an organisation we haven’t been proactive in training staff in these areas over recent years - the pace of change is fast so any training is quickly out of date” (public sector).*
- Older workers not having the right skills to use digital technologies or being reluctant to do so; *“Older staff members not engaging with technology” (third sector).*

All respondents were then asked over the next three to five years, which of four statements they felt most closely applied to their organisation.

Figure 16: Expectations on the future of automation (n=242, N=34,066)



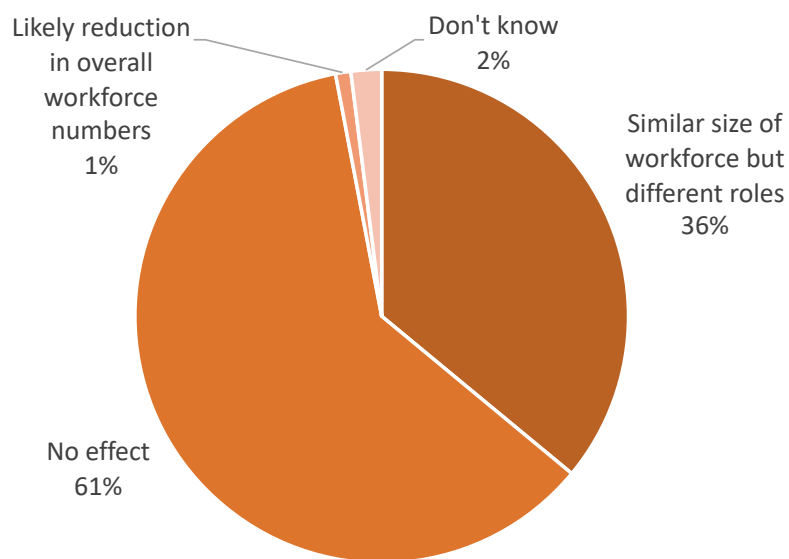
Two thirds of employers (67%) envisage at least some (further) automation of their organisation's activities / processes, around a fifth of these to a substantial degree. Again, though not statistically significant, the sectors most likely to envisage some level of further automation were ICT, the professional, scientific and technical services sector, and human health and social work sectors.

Just over a quarter of employers did not envisage much automation of the organisation's activities / processes. These tended to be smaller organisations (fewer than 25 employees) and from the wholesale & retail, human health & social work, and art, entertainment and recreation industries. As referred to above, there are other employers from these sectors that

do envisage some automation, so it may be that some respondents are unaware of coming changes.

Respondents that expected at least some automation of their organisation's activities were asked what effect they thought this would have on their organisation's existing workforce and were asked to select the most relevant response from four options:

Figure 17: Expected effects of any anticipated automation (n=242, N=34,066)



A majority (61% of those asked) felt automation would not have an effect on their existing workforce in any meaningful way. 3% said that they would have a similar size workforce but different roles, and just 1% of those asked stated (in the survey at least) that they expected it to result in a reduction of overall workforce numbers.

7. Apprenticeships

This chapter summarises employer awareness and understanding of apprenticeships, the extent to which employers are investing in apprenticeships, and employer views on the barriers to taking on an apprentice.

A majority of employers say they have a good understanding of what an apprenticeship is, how apprenticeships could benefit their organisation, and where to go to find out more. However, a sizeable proportion do not. It is evident from the research that many employers do not know if apprenticeships would be suitable for their organisation and the type of work that they do.

8% of employers reported currently employing an apprentice, but encouragingly over half (58%) say they would consider offering apprenticeship opportunities in the future.

7.1. Awareness and understanding of apprenticeships

All respondents were asked to what extent they agreed or disagreed with four statements regarding awareness and understanding of apprenticeships:

Figure 18: Awareness and understanding of apprenticeships (n=242, N=34,066)

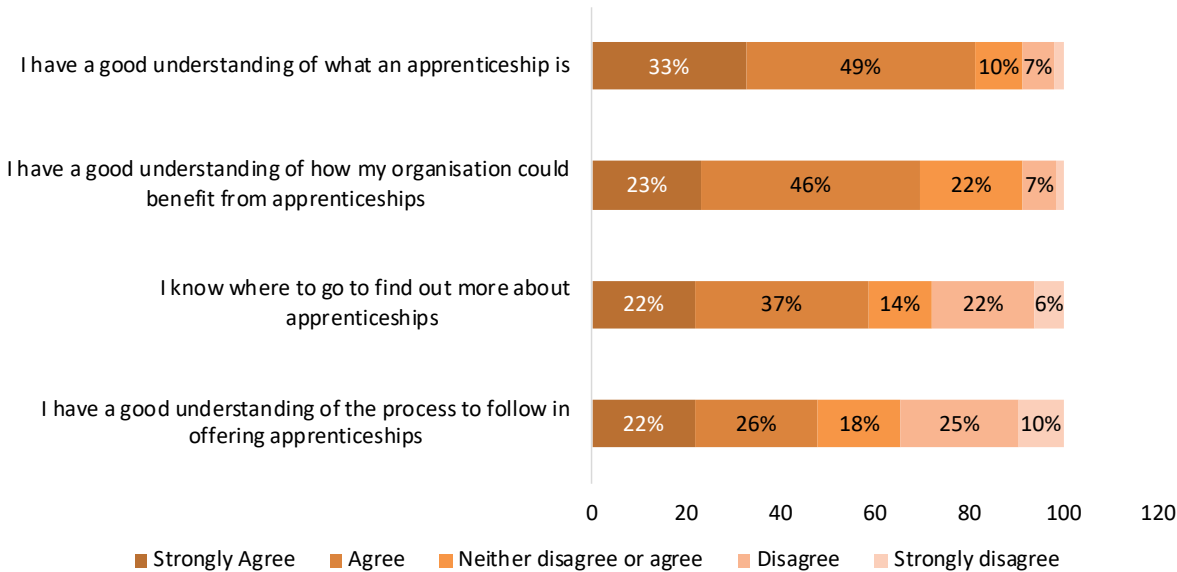
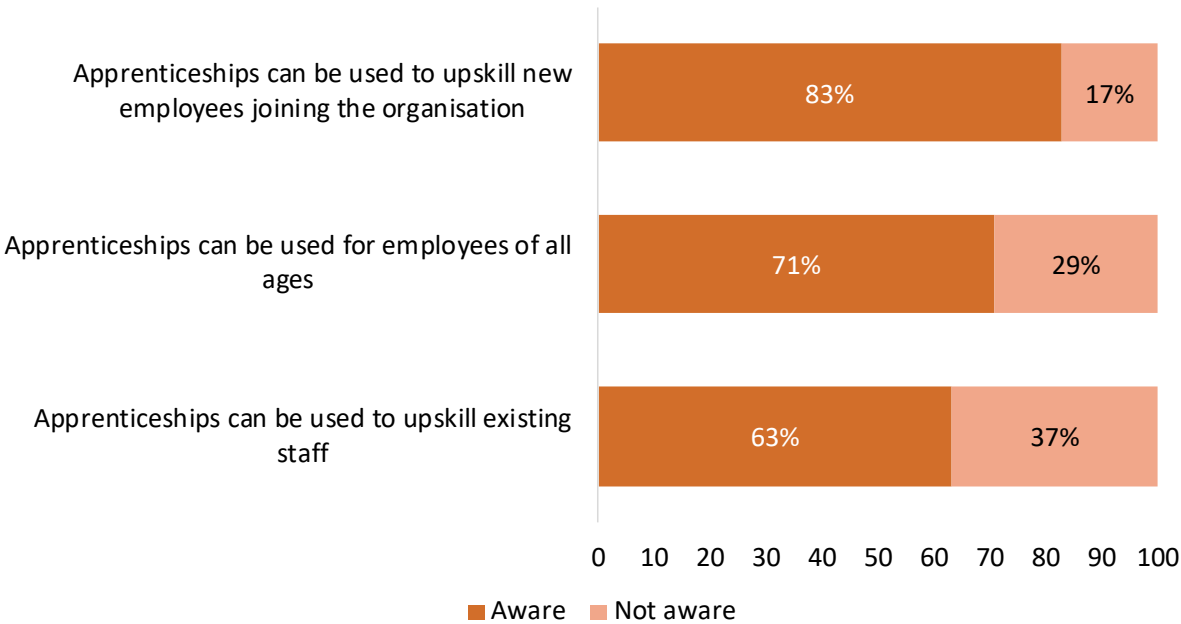


Figure 18 shows that whilst a majority of employers feel they have a good understanding of apprenticeships, there is a sizeable proportion that do not. For example, over a third (35%) disagreed that they have a good understanding of the process to follow in offering apprenticeships, and just over a quarter (28%) disagreed that they have a good understanding of where to go to find out more about apprenticeships. There does not appear to be any particular differences in the profile of organisations.

All respondents were then asked whether they were aware or not of three different ways apprentices can be used.

Figure 19: Knowledge of how apprenticeships can be used (n=242, N=34,066)



Whilst a majority of employers claimed to be aware of all three statements, again a sizeable proportion were not. In particular, over a third of employers (37%) said they were not aware that apprenticeships could be used to upskill existing staff. No significant differences were found between the profile of employers that were aware and those not aware⁹.

⁹ We may expect that those that already employ an apprentice to be more aware, though due to the relatively small proportion of respondent employers with an apprentice, it is difficult to say for certain.

7.2. Current use of apprenticeships

All respondents were asked whether they currently employed any apprentices; 8% said that they did, across roles as diverse as hairdressing, administration, health care and early years education¹⁰. Those currently offering apprenticeships are from a range of sectors, though with disproportionate representation from the manufacturing and education sectors.

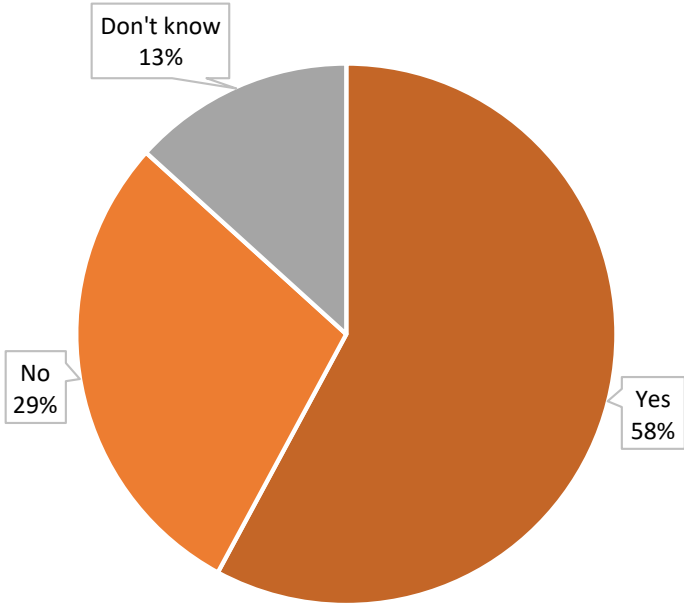
7.3. Views on using offering apprenticeships in the future

All respondents were then asked if they would consider offering apprenticeship opportunities. A majority of employers (58%) say that they would, 29% would not consider it, and 13% unsure¹¹.

¹⁰ This would seem to contrast with the 29% of respondents that stated (in chapter 4) that they had invested in apprenticeships as an upskilling action in the last twelve months. The reasons for this disparity were not explored in the survey, though it is possible apprenticeships in place at some point in the last twelve months had come to an end before the survey.

¹¹ Analysis of 'Don't know' responses across the survey indicates a small sub-group of respondents less knowledgeable about skills and training needs, though their job titles do not suggest a lack of seniority.

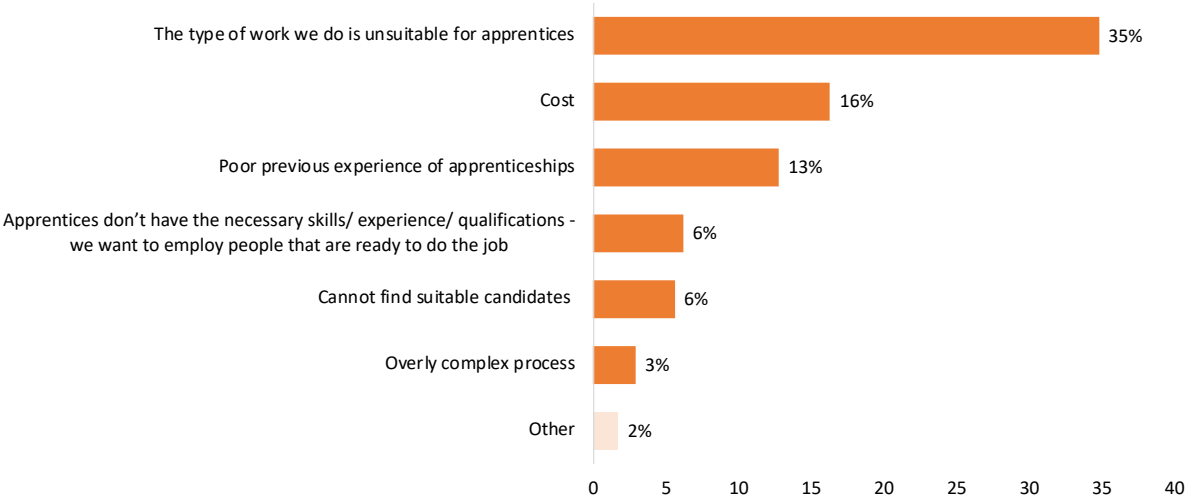
Figure 20: Would employers offer apprenticeship opportunities in the future? (n=242, N=34,066)



Analysis suggests that employers that would consider offering apprenticeships are more likely to be in located in the BCP area compared to Dorset, and were more likely to employ 49 or fewer employees, although these findings are not statistically significant. They were also more likely to be from the manufacturing, wholesale & retail or human health & social work sectors. There are no particular characteristics associated with the group of employers that said they would not consider offering apprenticeships, apart from that – unsurprisingly - none of them currently employ an apprentice.

Those who said they would not consider offering apprenticeship opportunities were asked why not. Respondents were provided with a prompted list of potential reasons:

Figure 21: Reasons employers would not consider offering apprenticeship opportunities (n=45)



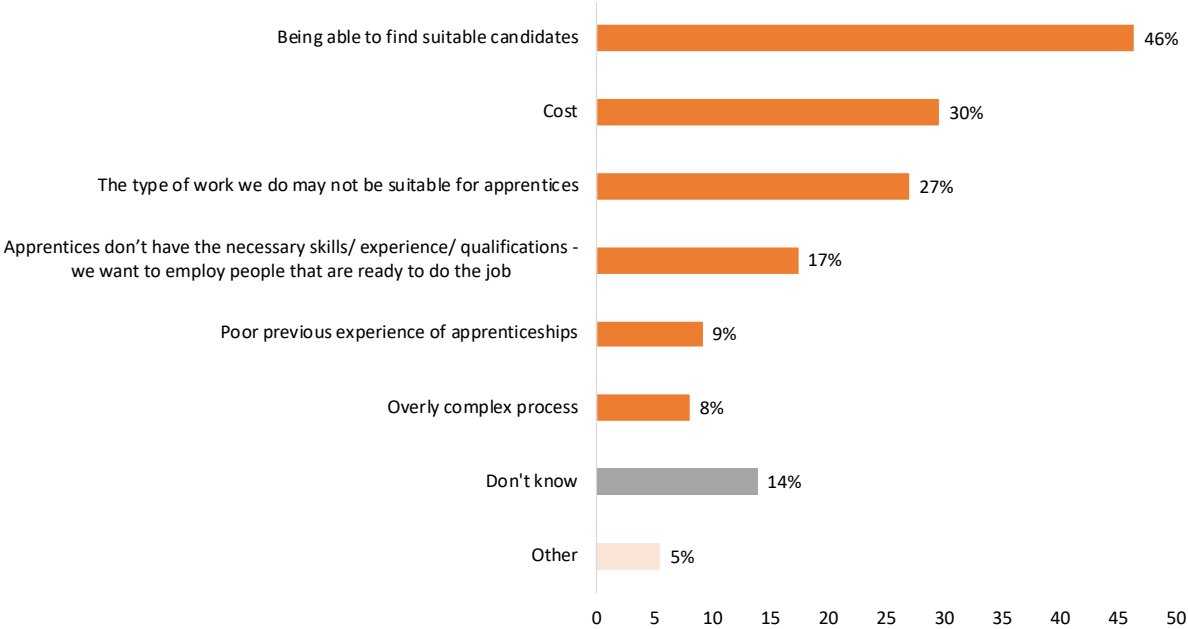
The most common reason given was a perception that apprenticeships are not suitable for the type of work that their organisation does. Respondents selecting this reason were asked to explain why they felt the work they do is unsuitable for apprentices. In response, most felt that their core work isn't complicated enough to be eligible for an apprenticeship (e.g. cleaning staff, waiting staff and volunteers). Other respondents did not think apprenticeships could be used for part-time workers.

'Other' reasons given by employers for not considering offering apprenticeships included:

- Not being able to commit to length / duration of apprenticeships
- Health and safety being an issue where technology / machinery is involved
- Not being able to get adequate insurance cover or it being too costly to do so.

In a similar vein, employers who said they would consider offering apprenticeships were asked if they had any reservations about doing so and were provided with a prompted list of potential reservations to select from.

Figure 22: Reservations of those that would consider offering an apprenticeship opportunity



The most commonly cited concern was being able to find suitable candidates; cost was a reservation cited by almost a third of employers (30%) in this group.

8. Conclusions and recommendations

Conclusions

Key conclusions from the research - structured by Serco's main research questions – are as follows:

1. What particular skills requirements employers currently have and are these being met?

This research confirms substantial training and development needs in Dorset in both the near term and longer term. Over half of employers reported at least one current skills gap, with one third reporting multiple skills gaps; especially in digital, sales & marketing, complex analytical and leadership & management skills. There could be an opportunity for training providers to offer discounted packages / achieve economies of scale through simultaneously addressing multiple skills gaps within an organisation.

2. How organisations are currently meeting their skills requirements.

The majority (83%) of employers say they have taken action in the last year to upskill existing employees. Two thirds of these have offered in-house training to their employees in the last year; a slightly lower proportion have engaged with external training providers. Issues reported with training provision included poor accessibility (reported by 33 employers), lack of funding for training (22), insufficient preparation of young people for the workplace / future requirements (20), and training not being as relevant to small employers (8). Alongside this, almost half of the respondents reporting digital skills gaps said that this was due to a lack of suitable training provision.

3. For employers that have skills gaps, implications for growth and productivity

Whilst the research did not require respondents to attempt to quantify effects, of employers acknowledging at least one skills gap: 71% feel skills gaps are having a significant impact¹² upon their productivity, 58% upon profitability, 53% on growth, 51% on quality and 34% on staff retention.

4. The skills required by employers in the medium-to-long term

¹² Rating impact as 4 or 5 out of 5.

Just over a third of employers think their skills needs will change in the next three to five years, creating further requirements for training. In particular employers expect to require more staff with digital, technical and sales & marketing skills, with some employers also expecting staff will need to become more customer focused and / or multi-skilled¹³. However, the research suggests that the majority of employers do not expect much change to their required skills sets, and even those that envisage some (further) automation do not expect this to significantly impact their workforce numbers / skills requirements.

5. How employers currently recruit employees, the organisations they tend to engage with and understanding of training provider offers.

A quarter of employers reported one or more hard-to-fill vacancies in the last twelve months – the most commonly selected reasons for this were applicant quality - lacking the right skills, attitude, motivation and / or personality for the role. Organisations are using a range of methods to recruit new employees, mostly free or low cost. Engagement with relevant organisations such as recruitment agencies, training providers, schools, colleges, universities, Job Centre Plus and the National Apprenticeship Service, is relatively low, suggesting opportunity for better understanding of their offers.

6. Whether employers foresee greater automation of their processes and whether they have the skills in place to embrace increased digitalisation.

Two-thirds of Dorset employers responding to the survey envisaged at least some (further) automation in their workplace in the next three to five years. Of this group, the vast majority felt that they have the appropriate skills to embrace automation and digitalisation within their organisation, though a quarter do not. The evidence suggests a risk that some employers may be unaware or lack knowledge of trends in their sector, stating that either they do not think there will be automation or are unsure, when organisations in the same sector are saying otherwise.

7. The extent to which employers are investing in apprenticeships, and understanding barriers to doing so

Only 8% of Dorset employers responding to the survey are currently employing an apprentice. However, over half said that they would consider doing so in the future. Many employers struggle to understand the process, or whether apprenticeships would be suitable for their own organisation and the work that they do.

¹³ Example verbatim include “Less technical more customer focused” and “More multi-skilled posts”.

Recommendations

The findings of this research suggest a number of recommendations for training providers to consider as part of any further research and work conducted by Dorset LEP regarding skills and training.

Engaging employers in training and making it more responsive

- Tailoring training offers to the areas that employers recognise their current and / or future skills gaps lie, and those felt to be having the biggest impact on performance e.g. digital skills, complex analytical, sales and marketing and leadership / managerial.
- Linked to this, consideration from training providers as to how multiple skills gaps can be tackled simultaneously, which could have benefits for both the employer and the training provider in terms of being more efficient and cost effective. This could mean several training providers working together / collaborating.
- Some small employers felt that training should be more relevant to them, with some citing their Growth Hub / other business support organisations as good sources of advice and opportunity to develop skills e.g. through their bite-size sessions. Rather than duplicating such activity, training providers could signpost it where appropriate.
- Many employers reported that training on digital skills isn't currently appropriate for their needs, though did not elaborate as to why / in what way(s). Given the large proportion of employers citing digital skills as a gap, it may be worth exploring how this training provision could be improved.
- This research ascertained employers' views on skills gaps and needs within their organisation, yet organisations (in particular those that do not recognise any skills gaps) may benefit from a skills diagnostic to obtain an external perspective.
- Survey responses indicated that employers would value more accessible training, whether that be more regional or online versions of existing training. A comprehensive online offer would seem to be essential in the current climate.

Wider advice

- Some respondents to the survey cited challenges in recruiting a diverse workforce. This may be linked to the recruitment channels used e.g. word of mouth. Some employers may benefit from information about effective recruitment practices and the benefits of diversity in recruitment.
- Some employers seem less aware of the automation / digitalisation happening in their sector, and may benefit from information about this to better understand this, and the impact on their organisation / how it might affect their workforce and the skills that they need, so that they are not left behind.
- A majority of employers are open to the idea of offering apprenticeships, but some do not feel they understand whether they are suitable for their organisation and the type of work

that they do. Employers would benefit from more detailed guidance on apprenticeships, and how they could use apprenticeship funding to meet their skills gaps.

Appendix: survey script

Introduction

Welcome to the Dorset 2020 Employer Skills Survey!

Sharing your employer perspective will put you in a position to shape the future of skills provision in Dorset.

The Dorset Local Enterprise Partnership (LEP) seeks to expand growth and industrial strengths in Dorset and we understand that skills and talent are critical.

Your experience will help prioritise strategic areas as we develop a long-term People and Skills Plan to support business performance and growth in Dorset.

It is therefore essential that we hear about YOUR experience so please help us identify the current and future skills and workforce training needs.

Take 15 minutes to share your views and...Let's skill Dorset together!

By completing the survey you can also win a free 2-hour consultancy session with a business growth expert and will be among the first to read the findings when published.

All your answers will be anonymous. Winning Moves, who are the research company will keep any information that you share with them confidential and store it securely, in accordance with the General Data Protection Regulation (GDPR).

Background

Many thanks for accessing the survey. We'd like to start by asking a few questions about you and your organisation, to help put the rest of your responses into context.

1. Please could you tell us your job title? *[Open end; capture verbatim]*
2. What is the name of the organisation you represent? *[Open end; capture verbatim]*
3. What is your email address? *[Open end; capture verbatim]*

4. What is the postcode of the site you work at¹⁴? [*Open end; capture verbatim*]

5. Approximately how many employees (FTE) does your organisation currently employ? Please select one of the following:
 - a. No employees
 - b. 1-4 employees
 - c. 5-9 employees
 - d. 10-24 employees
 - e. 25-49 employees
 - f. 50-99 employees
 - g. 100-249 employees
 - h. 250 or more employees
 - i. Don't know

6. Is your organisation in the public, private or third sector?
 - a. Public sector
 - b. Private sector
 - c. Third sector

7. What is your industry / sector? Please select the option from the following:
 - a. Agriculture, forestry and fishing
 - b. Manufacturing
 - c. Electricity, gas, steam and air conditioning supply
 - d. Water supply, sewerage, waste management and remediation activities
 - e. Construction
 - f. Wholesale and retail trade; repair of motor vehicles and motorcycles
 - g. Transport and storage
 - h. Accommodation and food services
 - i. Information and communication
 - j. Finance and insurance
 - k. Real estate
 - l. Professional, scientific and technical activities
 - m. Administration and support services
 - n. Public administration and defense
 - o. Education
 - p. Human health and social work
 - q. Arts, entertainment, recreation and other services
 - r. Other (Please specify) [*Open end; capture verbatim*]

¹⁴ The first part of the response will be coded to provide indication of rural location.

8. *[if selected 6b or e]* Do you work in any of the following in particular? Please select any that apply.
- a. Advanced manufacturing
 - b. Engineering
 - c. Aerospace
 - d. Marine
 - e. None of the above

Current skills gaps

The next few questions are about your existing workforce and any skills gaps your organisation may have. By 'skills gap' we mean skills that your organisation needs, but either does not have at all, or at the right level to meet your goals. Please consider ALL of your workers, not just those that may normally take part in training, if you are a sole trader, please think about your own skills.

9. Do you have skills gaps in your existing workforce in any of the following areas? Please select any that apply.
- a. Literacy
 - b. Numeracy
 - c. Digital skills
 - d. Leadership and managerial
 - e. Technical or practical
 - f. Verbal and written communication
 - g. Customer service
 - h. Complex analytical
 - i. Sales and marketing
 - j. Foreign languages
 - k. Knowledge of English (amongst non-native speakers)
 - l. Team working
 - m. Problem solving
 - n. Planning and organisational (including project management)
 - o. Job specific skills
 - p. Other (please specify) *[Open end; capture verbatim]*
 - q. None of the above / no skills gaps in the organisation that I am aware of

10. *[If selected q8 o]* Please specify the job specific skills.

11. *[If selected q8c/e/h]* You mentioned your organisation has skills gaps in the areas of digital, technical or analytical skills. In which of the following are there gaps amongst your current workforce? Please select all that apply:
- a. Microsoft Office (Excel, Word, Powerpoint, Sharepoint)
 - b. Computer/network support
 - c. Data analysis

- d. Digital design including App development
- e. Customer Relationship Management (CRM)
- f. Digital marketing (including social media)
- g. Computer-Aided Design (CAD)
- h. Computer Numerical Control (CNC)
- i. Programming
- j. Cyber security
- k. Cloud computing
- l. Machine learning
- m. AI
- n. Other (please specify) *[Open end; capture verbatim]*
- o. Don't know

12. *[Skip if 'none of the above' is selected for q8]* And of all the skills gaps you have identified, which would you say are having the biggest impact on your organisation's performance / productivity? Please select up to three. *[A pre-populated list will appear based on responses to questions 8 ; the respondent will be able to select up to three options, questions 12 and 13 would then be asked specifically in relation to the three skills gaps selected (so repeated up to 3 times)].*

13. *[Skip if 'none of the above' is selected for q8]* You mentioned particular impact in relation to [x]. What do you think are the reasons for skills gaps in [x] amongst your existing workforce? Please select all that apply:

- a. Low number of applicants with the required skills and qualifications
- b. Lack of appropriate training or courses
- c. Inflexible times/durations of training or courses
- d. Training provision is not easily accessible e.g. remote location with inconvenient public transport
- e. Insufficient training budget
- f. My organisation is not prepared/able to release staff during work hours
- g. Staff judged not capable of progression
- h. Staff are not seeking to upskill
- i. My organisation does not have a workforce development plan
- j. Limited career progression prospects / mostly temporary work
- k. Difficulty accessing skilled migrants
- l. Lack of work readiness and knowledge
- m. Poor careers advice aligned to the sector
- n. Other (please specify) *[Open end; capture verbatim]*
- o. Don't know

14. *[Skip if 'none of the above' is selected for q8]* And on a scale of 1-5, to what extent are the skills gaps in [x] in your organisation having an impact on the following: *[1 = not at all, 5 =to a great extent,*

there will also be an option for Don't Know and for 'N/A' as many non-private orgs won't have a growth / profit motive].

- a. Growth / sales
- b. Profitability
- c. Productivity
- d. Quality of product / service
- e. Customer / service user satisfaction
- f. Staff retention

How your organisation currently meets its skills requirements

15. In the last 12 months, which of the following has your organisation done to improve the skills of existing employees? Please select all that apply.

- a. Engaged with schools
- b. Engaged with colleges
- c. Engaged with universities
- d. Invested in apprenticeships
- e. Offered 'on the job' training & development
- f. Offered formal in-house training & development courses / programmes
- g. Engaged with publicly funded / subsidised private training providers
- h. Outsourced training & development
- i. Other (please specify) *[Open end; capture verbatim]*
- j. No action taken
- k. Don't know

16. *[If selected 'no action taken' for q13]* You said that in the last 12 months the organisation hasn't taken any action to improve the skills of existing employees – why is that? *[Open end; capture verbatim]*

17. On a scale of 1 to 5 where 1 is very unlikely and 5 is very likely, how likely are you to take each of the following actions in the future to reskill/ upskill your existing staff? *[Respondents will also have the option of Don't Know for each of the below].*

- a. Engage with schools
- b. Engage with colleges
- c. Engage with universities
- d. Engage with private training providers
- e. Invest in apprenticeships
- f. Offer in-house or 'on the job' training and development
- g. Outsource training and development

18. Are there any improvements that you would like to see with regards to provision of skills and training locally?
- Yes - please can you specify? *[Open end; capture verbatim]*
 - No

How your organisation recruits

19. Thinking about the recruitment and retention of employees, which of the following are particular concerns for your organisation at the moment? Please select all that apply
- Existing employees age profile (proportion of existing employees aged over 50 or reaching retirement age and issues replacing them)
 - Effects of Brexit
 - Under-utilisation of existing skills within your organisation
 - The ability to recruit a diverse/ all-inclusive workforce
 - The location of your organisation
 - Other (please specify)
 - No recruitment concerns at the moment
20. Please briefly summarise your concerns in these areas (*auto-fills those chosen from q18*). *[Open end; capture verbatim for each option picked]*
21. *[If selected 18a]* You mentioned that the aging workforce (i.e. proportion of existing employees aged over 50 or reaching retirement age) is currently a concern for you. Which of the following is your organisation planning to do in response to this? Please select all that apply.
- Recruit new employees to replace those due to retire
 - Offer flexible/ reduced working hours
 - Offer alternative job tasks/ functions
 - Offer training and development programmes to upskill/ reskill staff
 - Put succession planning processes in place
 - Automate tasks currently undertaken by employees reaching retirement age
 - Redistributing tasks undertaken by employees reaching retirement age amongst other employees
 - Outsourcing tasks undertaken by employees reaching retirement age
 - Other (please specify) *[Open end; capture verbatim]*
 - None of the above
 - Don't know
22. Has your organisation had any vacancies in the last twelve months that have been hard to fill?
- Yes

- b. No
- c. Don't know

23. [if yes to q21] Can you please tell us the job titles or functions that have been hard to fill? [Open end; capture verbatim]

24. What do you find are the typical causes of hard to fill vacancies? Please select all that apply.

- a. Low number of applicants with the required skills
- b. Low number of applicants with relevant qualifications
- c. Low number of applicants with the relevant work experience
- d. Low number of applicants with the required attitude, motivation or personality
- e. The terms and conditions (e.g. pay) offered for post
- f. Too much competition from other employers
- g. The location of the organisation e.g. remote, lack of public transport links
- h. Poor career progression / lack of prospects
- i. Job entails shift work/unsociable hours
- j. Other (please specify) [Open end; capture verbatim]
- k. Don't know
- l. Not applicable / never had a hard-to-fill vacancy

25. How does your organisation typically advertise or promote your vacancies? Please select all that apply:

- a. Through an agency
- b. Through free websites
- c. Through paid for websites
- d. Through business network groups
- e. Through word of mouth
- f. Through your own website
- g. Through LinkedIn
- h. Through other social media
- i. Through the Job Centre
- j. Other (please specify) [Open end; capture verbatim]
- k. Don't know / never had any

26. Have you used any of the following local organisations to try to recruit new employees? Please select all that apply:

- a. Schools
- b. Colleges
- c. Private training providers
- d. Universities
- e. National Apprenticeship Service

- f. Recruitment agencies
- g. Job Centre Plus
- h. Other (please specify)
- i. Not engaged with any other organisations when recruiting for new employees – why not?
[Open end; capture verbatim]
- j. Not applicable – have not needed to recruit new employees

27. (If i q25) Why have you not engaged with any other organisations when recruiting for new employees? (open end; capture verbatim)

Future skills: Automation and digitalisation

We would now like you to think about the skills your organisation will need to continue to succeed.

28. Does your organisation have the appropriate skills to embrace digitalisation and automation? Examples might be automating your production or administration, or bringing new technology into your organisation.

- a. Yes
- b. No – why do you say that? Where are the gaps? [Open end; capture verbatim]
- c. Don't know

29. Over the next three to five years, which of the following statements do you feel most closely applies to your organisation? Please select one.

- a. We do not envisage much, if any, digitalisation automation of the organisation's activities / processes.
- b. There will be some automation of the organisation's activities / processes, but the scale of this is unclear at present.
- c. There will be substantial automation of the organisation's activities / processes.
- d. Don't know

29. [if selected 28b or c] What effect do you think this expected digitalisation and automation will have on your organisation's existing workforce?

- a. No effect
- b. Similar size of workforce but different roles
- c. Likely reduction in overall workforce numbers
- d. Don't know

30. Do you think your skills needs will change at all over the next three to five years?

- a. Yes - please explain how you think your skills needs will change? [Open end; capture verbatim]
- b. No
- c. Don't know

31. In the next three to five years, do you think your organisation will require more or fewer staff with the following skills: [Options would be significantly fewer staff, slightly fewer staff, no difference, slightly more staff, significantly more staff, Don't Know, N/A]
- a. Digital skills
 - b. Leadership and managerial skills
 - c. Technical or practical skills
 - d. Verbal and written communication skills
 - e. Customer service skills
 - f. Complex analytical skills
 - g. Sales and marketing
 - h. Foreign languages
 - i. Team working
 - j. Problem solving
 - k. Planning and organisational (including project management)

Apprenticeships

Coming towards the end now, the next few questions focus on apprenticeships in relation to your organisation.

32. Please tell us to what extent you agree or disagree with the following statements: (Strongly disagree, disagree, neither disagree or agree, agree, strongly agree)
- a. I have a good understanding of what an apprenticeship is
 - b. I have a good understanding of how my organisation could benefit from apprenticeships
 - c. I have a good understanding of the process to follow in offering apprenticeships
 - d. I know where to go to find out more about apprenticeships
33. Please answer yes or no to the following. Are you aware that:
- a. Apprenticeships can be used to upskill new employees joining the organisation
 - b. Apprenticeships can be used to upskill your existing staff
 - c. Apprenticeships can be used for employees of all ages
34. Do you currently employ any apprentices?
- a. Yes – for what role(s)? [Open end; capture verbatim]
 - b. No
35. Would you consider offering apprenticeship opportunities?
- a. Yes
 - b. No
 - c. Don't know

36. [If no to q35] Why would you not consider offering apprenticeships? Please select all that apply:
- a. Cost
 - b. Poor previous experience of apprenticeships
 - c. Cannot find suitable candidates
 - d. Apprentices don't have the necessary skills / experience / qualifications – we want to employ people that are ready to do the job
 - e. Overly complex process
 - f. The type of work we do is unsuitable for apprentices - please explain why [Open end; capture verbatim]
 - g. Other (please specify) [Open end; capture verbatim]
 - h. Don't know
37. (if F to q36) Please explain why the type of work done is unsuitable for apprentices. [Open end; capture verbatim]
38. [if yes / don't know to q35] What are / might be your reservations be about offering apprenticeships? Please select all that apply.
- a. Cost
 - b. Poor previous experience of apprenticeships
 - c. Being able to find suitable candidates
 - d. Apprentices not having the necessary skills / experience / qualifications – we want to employ people that are ready to do the job
 - e. Overly complex process
 - f. The type of work we do may not be suitable for apprentices [Open end; capture verbatim]
 - g. Other (please specify) [Open end; capture verbatim]
 - h. Don't know
39. Please explain why the type of work done may not be suitable for apprentices [Open end; capture verbatim]

Close

Thank you for taking the time to complete this survey.

The research is funded by the ESF and co-financed by the ESFA and this survey is brought to you by Serco and delivered by Winning Moves on behalf of the Dorset LEP.

A couple of things to check with you:

40. Every organisation completing the survey has the chance to be entered into a prize draw for the chance to win a free 2-hour business evaluation and advice consultancy session with an external growth expert, Would you like to enter this prize draw?
- a. Yes – please enter your name and contact details [*Open end; capture verbatim*]
 - b. No
41. Would you like to receive a copy of the findings?
- a. Yes – please enter your name and contact details [*Open end; capture verbatim*]
 - b. No
42. Our research team may need to contact you to check or verify your answers. Would that be okay?
- a. Yes – please provide your preferred contact details [*Open end; capture verbatim*]
 - b. No
43. Skills Support for the Workforce (SSW) project provide free training needs analysis for businesses and free training to employees in Dorset. Would you like somebody from SSW to contact you to tell you more about this?
- a. Yes- please provide your name and email address or telephone number. We will pass these details on to SSW and somebody will be in touch in the next couple of weeks.
[*Open end; capture verbatim*]
 - b. No.

T: +44 (0)121 285 3800
E: research@winningmoves.com
www.winningmoves.com

Winning Moves Limited
Registered address: Baskerville House, Broad Street, Birmingham, England, B1 2ND.

Registered in England number 03069806