Hertfordshire Employment, Skills and Enterprise Review

25 November 2020

WINNING MOVES®

Prepared for Hertfordshire LEP and Serco

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Skills Support for the Workforce

Co-financed by the Education and Skills Funding Agency and European Social Fund, Skills Support for the Workforce (SSW) is a programme developed to enhance employees' skills, increase competitiveness and boost the local economy.

As the Prime Contractor of the SSW Programme in Hertfordshire, the ESFA commissioned Serco to conduct research to inform the Local Enterprise Partnership's (LEP) skills planning; findings on the five key research questions / objectives are explored in this executive summary.

There were three main elements to the research:

1 A review of existing evidence to inform subsequent primary research conducted.

2 A survey of employers to be completed online or by telephone.

3 Qualitative interviews with stakeholders.

The employer survey was launched in February 2020 - it was evident that employers were focusing upon their Covid-19 response, therefore despite the survey being open for an extended period of time, and significant promotion by intermediaries, there was limited response from employers. As a result, and due to the questionnaires being very similar and the geographic areas in close proximity, the survey results from Hertfordshire employers were amalgamated with responses from employers in South East Midlands and Northamptonshire.

When interpreting the findings it is important to note that:

- Key statistics presented are based on employer responses from Hertfordshire, SEM and Northamptonshire
- There was limited response from some types of employers (e.g. size, sector) – the respondent profile can be seen in Appendix A of the main report 'Serco Employment Skills and Enterprise (ESE) research for Hertfordshire LEP (2020)
- Where the data indicates potential differences between the geographic areas these are noted but due to the low sample size they are not statistically significant.

Summary Findings

1 **Identify skills gaps that are preventing business growth and an increase in business productivity**

The research shows substantial skills gaps in Hertfordshire, particularly in digital, sales and marketing, and job-specific skills across manufacturing, construction, health, education and professional services. Gaps most commonly cited by employers as impacting upon business growth and productivity included those in digital, numeracy, planning and organisational skills.

60%
of employers say they have one or more skills gaps in their organisation

2 **Clarify employer skills demand for the region's key sectors and identify other priority skills required to influence how / where efforts and resources are focused to increase skills training uptake.**

Take Action — 86%

Use External Trainers — 70%

There is demand for upskilling and recruitment amongst employers in Hertfordshire, including within the area's priority sectors. One in five employers reported that, in the last twelve months, they had a hard to fill vacancy. The most common reason for this was perceived applicant quality – sub-optimal skills, attitude or motivation for the job. Employers predicted that in the next three to five years they would need greater numbers of staff with digital and technical / practical skills. Stakeholders envisaged growing opportunities and skills needs in health and social care, digital, construction and planning, the green economy and professional services.

86%
likely to take action to upskill staff in the next 12 months

70%
likely to engage with external training providers to upskill their staff in the next 12 months

3   Determine employer interest in apprenticeships

The research shows interest amongst half of Hertfordshire employers in taking on an apprentice in the future. However, there are widespread reservations to overcome i.e. on candidate quality, reassuring employers who have had a poor previous experience.

A sizeable minority of employers did not have a good understanding of apprenticeships. Wider stakeholders suggested employer education is required around the value of apprenticeships (in particular compared to other educational routes), and the range of sectors in which apprenticeships can now be delivered.

47% would consider taking on an apprentice in the near future

4   Explore the willingness of employers to support experimentation and early adoptions in the use of new technologies for future skills needs.

There is willingness amongst a majority of employers to invest in training for their staff that uses new technologies such as webinars, video and mobile learning, with many employers saying their staff have already engaged in training via one or more of these new technologies. Some employers had reservations around accessibility and interactivity, and whether online mechanisms are suitable for more practical types of work such as engineering or construction.

5   Explore employers' desire for their employees to undertake higher qualifications.

Relatively low proportions of employers said they require staff to have a higher level qualification, or that they would be likely to support employees to undertake a higher qualification (whether financially or by allowing the employee to study during working hours). Cost is a significant barrier to employers and individuals investing in higher level qualifications. Stakeholders emphasised that in some cases short courses are as valuable as higher qualifications, and are sometimes more practical and affordable for employers.

17% of Hertfordshire employers said they would be likely or very likely to support employees to undertake a higher qualification in the next three years

Finally, the research also highlighted some challenges for business support and skills organisations in engaging employers about their skills needs with the current focus of many businesses upon 'survival'.

1. Introduction

1.1. 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.

Skills Support for the Workforce is co-financed by the Education and Skills Funding Agency and European Social Fund (ESFA).

Serco's Employment, Skills and Enterprise business (Serco Ltd) is the Prime Contractor of the SSW programme in Hertfordshire Local Enterprise Partnership geographical region. The Education and Skills Funding Agency commissioned Serco to conduct research to understand employers' skills needs in Hertfordshire 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.

1.2. Research objectives

The purpose of the research was to:
- Identify skills gaps that are preventing business growth and an increase in business productivity.
- Clarify employer skills demand for the region's key sectors and identify other priority skills required to influence how / where efforts / resources are used to increase skills training uptake.
- Determine employer interest in apprenticeships.
- Explore the willingness of employers to support experimentation and early adoptions in the use of new technologies for future skills needs.
- Explore employers' desire for their employees to undertake higher qualifications.

1.3. Method overview

The research for Hertfordshire has been conducted alongside research for another LEP area - South East Midlands (split into South East Midlands and Northamptonshire) - due to the two LEP areas sharing similar research objectives.

The research was conducted in three stages:
1. A review of existing evidence to inform the primary research design,.

2. Primary research with employers, comprising an online survey and telephone interviews to boost the response rate. The online survey was launched in February 2020, prior to covid-19 having a significant impact on the UK. The survey was promoted and disseminated by Serco and the LEPs through a wide range of intermediary organisations, such as the regional Chambers of Commerce, trade associations and the Growth Hubs. The promotion of the survey was paused at the end of March 2020 as it became apparent that UK businesses were focusing on the impacts of lockdown and subsequent changes to working practices. Intermediaries started to promote the survey again in June 2020 and the survey remained open until October 2020. Despite the extended period of time the survey was open for, the multiple promotional pushes, and inclusion of incentives for completion, responses remained low. In total, there were 126 responses (87 online responses and 39 telephone interviews) across the two LEP areas. For Hertfordshire specifically there were 57 responses in total, which comprised 40 online responses and 17 telephone interviews.

3. 40 qualitative interviews with local stakeholders across Hertfordshire, South East Midlands and Northamptonshire were conducted in July 2020, further exploring the research areas of interest. Stakeholders included local councils, business support organisations and training providers. Within the total of 40 interviews conducted, 15 were focused upon Hertfordshire.

1.4.   Limitations / interpreting the findings in the report

Mode: 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 staff. This was evident when conducting the telephone interviews with employers, whereby some 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. That the data collection was mainly online may have exacerbated this as the sample becomes more self-selecting.

Timing: Data collection started prior to Covid-19 having a significant impact on the UK. It is possible that the views and skills needs of those that responded to the survey prior to lockdown may have changed, as the impacts of Covid-19 may not have been fully appreciated by businesses at that point in time. The pause in promoting the survey during lockdown allowed for a small number of additional questions to be added to the survey to capture views on the impact of Covid-19 on the employers (Hertfordshire employers only) – employers that responded prior to lockdown were not asked these questions.

Sample size / robustness: The survey yielded a much lower response rate than was hoped for, despite the best efforts of the key partners in the research and relevant intermediary organisations to promote it. As a result it was agreed that the responses from the three geographic areas would be amalgamated and reported on as a whole so that quantitative

findings were more robust. Therefore, the majority of the quantitative findings in this report are based on employers across Hertfordshire and the South East Midlands (including Northamptonshire). These quantitative findings are supported by qualitative findings specific to Herts - both wider stakeholder interviews, and themes arising / quotes from Herts employer's responses. Where the data indicates potential differences between Hertfordshire and South East Midlands employers, this is noted in the report, but due to the low sample size there are no statistically significant differences.

The response data has been weighted during analysis to reflect the population of employers across the geographic areas of interest[1]. Percentages stated in this report are based on weighted data. Where charts are displayed, 'N' refers to the weighted total of respondents for a given question; and 'n' refers to the actual number of respondents unweighted. Appendix A of this report outlines the profile of businesses that responded to the survey in terms of location, size and sector. This shows where there was limited response to this survey from certain types of employers. It is important that the profile of respondent employers is taken into consideration when interpreting the findings in this report.

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[1] Using ONS population data provided by each of the LEP's; SEMLEP and Hertfordshire LEP

2.   Impact of Covid-19

This section summarises the views of stakeholders in Hertfordshire relating to the impact that Covid-19 has had on employment and skills in the LEP area. In addition, it presents the responses from employers from a small number of questions added to the survey during fieldwork to capture the actions employers had taken as a result of Covid-19, and if relevant, how Covid-19 affected their apprenticeships[2].

There was a general consensus amongst stakeholders that Covid-19 was having a significant impact on both employment and skills, although this varied by sector. Almost half of Hertfordshire employers that responded to the survey had taken one or more actions affecting their employees, with one third having furloughed at least some of their employees.

2.1.   Impact on employment

The Hertfordshire Growth Hub commented that they were inundated with enquiries during April and May with businesses seeking to access Government support for their organisations. Most stakeholders felt that a large proportion of employers in Hertfordshire had furloughed employees using the Job Retention Scheme, based on direct conversations they had with employers and research that was being conducted at the time by Hertfordshire LEP[3], which found that 58% of Hertfordshire organisations had furloughed staff. Some stakeholders also commented that the Herts JSA and Universal Credit claimant counts indicated that the unemployment rate had risen in Hertfordshire since March 2020[4].

Based on direct conversations with employers, latest statistics for the region and knowledge sharing during networking sessions, stakeholders felt that some sectors within Hertfordshire had been impacted significantly by Covid-19:

Retail - stakeholders commented on the announcement of numerous high street companies going into administration, resulting in some store closures in Hertfordshire, such as John Lewis and Debenhams[5]. The number of occupations across retail and care in Hertfordshire have reduced by 22,700 jobs[6], and retail is one of the sectors that have made the most redundancies[7].

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[2] Only a small number of questions were added to the survey regarding the impact of Covid-19 as Hertfordshire LEP / Growth Hub were conducting a separate, more detailed survey on the topic.
[3] www.hertfordshirelep.com/media/8494/covid-19-impact-on-hertfordshire-oct-2020-slides.pdf
[4] Unemployment benefit claimants in Hertfordshire rose from 14,370 (a 1.9% claimant rate) in March 2020 to 38,755 claimants in May (5.2%)
[5] https://www.retailresearch.org/whos-gone-bust-retail.html#bycompany
[6] Employment by Standard Occupational Classification in Hertfordshire, comparison of data from June 2019 to July 2020.
[7] Based on data collated by Hertfordshire LEP

Hospitality - with some stakeholders commenting on the closures of some restaurant chains such as Burger King and Pizza Express, and subsequently high levels of redundancies reported.

Film and media - although one stakeholder commented that there would likely be local money to support this sector due to it being a priority sector in Hertfordshire.

Luton airport - with subsequent impacts on the supply chain that serves the airport.[8]

In contrast, stakeholders felt that some sectors had been less adversely affected by Covid-19[9]:

Construction – despite an initial pause in construction activity in April and May, stakeholders felt that Hertfordshire reflected the national picture regarding the construction sector where 80% of construction sites had re-opened by July, albeit operating at a lower capacity[10].

Life sciences – this is a priority sector for Hertfordshire and stakeholders felt that the sector was "robust", with some organisations becoming involved with work associated with finding a vaccine for Covid-19. At a national level, research suggests that 26% of organisations in the life sciences sector felt that they had seen a 'potentially positive' impact from Covid-19.[11]

Health and social care – stakeholders commented that the care sector is always short of staff, and therefore there was unlikely to be redundancies or use of the furlough scheme in this sector.

Food manufacturing – stakeholders commented that they had seen examples of employees in the food manufacturing industry moving (either temporarily or permanently) from one manufacturing business to another, due to changes in consumer behaviour and subsequent levels of demand. For example, consumer demand had fallen in the packed sandwich sector but had increased in the takeaway sector, and stakeholders explained that

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[8] Based on data collated by Hertfordshire LEP
[9] www.hertfordshirelep.com/media/8376/hertfordshire-lep-annual-report-2020.pdf
[10] https://www.randstad.co.uk/about-us/reports/big-british-building-bounce-back/
[11] https://www.beauhurst.com/blog/impact-of-covid-19-on-life-sciences-companies-uk/

they had heard of employees moving between these two types of businesses.

Respondents in Hertfordshire were prompted with a list of potential responses to the pandemic and asked which they had taken.

Around one third of Hertfordshire employers (36%) had taken one or more steps, although the exact %s should be viewed with caution due to the small sample size. Furloughing staff was the most frequently selected response, with 30% of employers saying they had done so. This proportion is much lower than the 60% of employers nationally that had used the Job Retention Scheme[12]. Anecdotal evidence from conducting the telephone interviews with employers suggests that employers that had furloughed staff found it difficult to respond to the survey, which may indicate why the proportion reported in this research is lower than the national average.

Organisations across the public, private and third sectors have furloughed staff. In the private sector, organisations across a wide range of sectors have done so: construction, hospitality, agriculture and manufacturing, professional services and IT. Of those that said they had furloughed staff, respondents were asked what proportion of their employees they had furloughed. Responses varied from between 5% to 80% of their workforce.

1% (equating to four respondents) of Hertfordshire employers said that they had made redundancies. These included a large public sector organisation making approximately 4% of their staff redundant, a third sector organisation making 22% of their staff redundant, and two small private sector organisations (one in retail and one in professional services) making 70% and 80% of their staff redundant.

Further to furloughing staff and making redundancies, 13% of Hertfordshire employers said they had reduced the use of self-employed staff and 8% said they had redeployed staff into new roles.

2.2. Impact on skills

The following themes were evident from discussing the impact of Covid-19 on skills in Hertfordshire:

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[12] https://www.gov.uk/government/publications/coronavirus-job-retention-scheme-statistics-july-2020/coronavirus-job-retention-scheme-statistics-july-2020#geography--local-authorities-and-parliamentary-constituenciesT

Skills are not being seen as a priority by employers at the moment – at the time of the stakeholder interviews (July 2020), stakeholders felt that employers were in *"survival mode"*, focusing on managing cash flow and achieving sales. This was evident from the types of enquiries that businesses were making to the Growth Hub between March and August 2020, and conversations that training providers had had with employers during the time.

> *"The vast majority of businesses are not looking to increase the skills in the business / access training at this current time (or are not aware that they have a skills issue.) This is both a shame and a mistake."*

It was also evident from the challenges experienced whilst conducting the telephone interviews with employers; many employers said that were not willing or able to participate in the survey because skills were not a current priority and / or they did not have time complete the survey due to having to deal with more pressing issues facing their organisation.

Despite this, stakeholders were aware of some employers that were encouraging their employees to undertake training whilst being on furlough.

Skills are important if a business is to be able to adapt - Despite stakeholders commenting that employers did not see skills as an important area for consideration at that time, the stakeholders themselves could see the importance of skills in determining the survival / success of a business. Stakeholders felt that the current economic climate will favour businesses that are able to adapt. In order to adapt, stakeholders felt that employers need good leadership and management skills, crisis management skills and changing sales and marketing skills.

Covid-19 has accelerated a need for improved digital skills - Stakeholders commented that there was room for improvement across the vast majority of employers regarding employees' digital skills. In particular, the ability to work remotely, a move from paper based to digital based processes, an increased use of apps, changing methods of communication, and more businesses selling online.

> *"There are a large number of over 30s who are not as savvy as the younger generation - it's things like how to share a screen, how to get on Zoom. These people are going to be pivoting between working from home and working in an office and they will need to be able to do this efficiently if companies are to remain productive. It's about ICT skills, apps, and AI is an area that will become more important if we're not going to be left behind."*

2.3.   Impact on apprenticeships

Employer respondents that employed apprentices were asked about the current status of those. Twelve respondents in Hertfordshire said they employed apprentices; all but one had retained their apprentice(s).

3.   Current 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, almost two thirds of employers are reporting at least one type of skills gap within their workforce. The gaps most frequently cited were in digital skills, job specific skills, and sales and marketing skills. Examples of job specific skills cited by Hertfordshire employers relate to construction, manufacturing, professional services (legal and HR), transport, health, education and warehousing.

Respondents that selected digital skills as a gap were asked which in particular - digital marketing, digital design and app development, Artificial Intelligence (AI) 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 gap that appears – from employer responses – to be having the biggest impact is job specific skills, numeracy, planning and organisational and knowledge of English.

The consensus amongst stakeholders in Hertfordshire was that gaps in digital skills, leadership and management skills, and sales and marketing skills were those having the most substantial impact on business growth and productivity.

3.1.   Current skills gaps

All 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 their workers, not just those that may normally take part in training.

Almost two thirds (60%) of employers reported one or more skills gaps in their organisation.

60% of employers say they have one or more skills gaps within their organisation

Figure 1 shows the percentage of employers selecting each of the specific skills gaps prompted.

Figure 1: Skills gaps reported by employers (N=80,255, N=126)
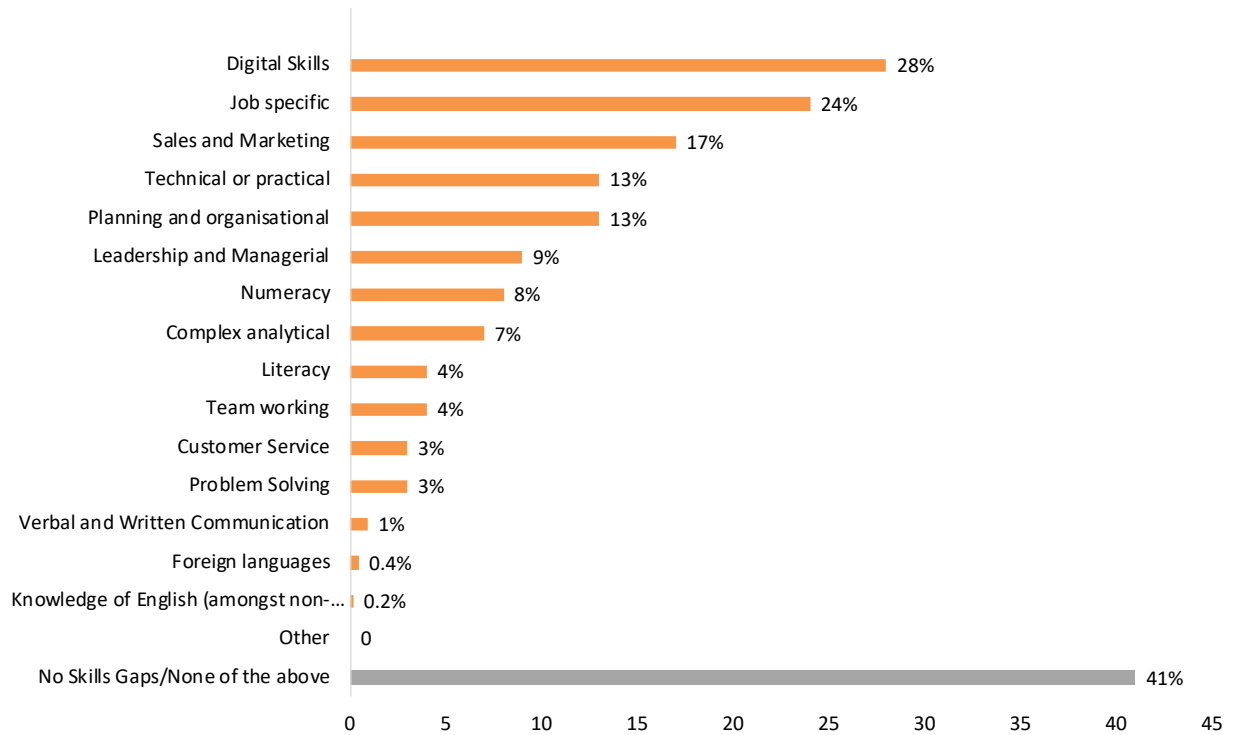
The skills gap most frequently selected by respondents was digital skills, with over a quarter (28%) selecting it. This is closely followed by job specific skills and sales and marketing skills.

Respondents that selected job specific skills gaps were asked to specify further. Examples cited by respondents included the following:

Although the statistics should be approached with caution, the proportion of Hertfordshire employers reporting skills gaps looks to be similar to that of the whole sample, with 63% of Hertfordshire employers reporting a skills gap, compared to 60% from the whole sample. The profile of responses across each type of skills gap is also broadly in line with that of the whole population.

The skills gaps reported by employers are strongly supported by stakeholders. There was consensus amongst stakeholders in Hertfordshire that the area had the following skills gaps:

Stakeholder views on skills gaps in Hertfordshire

Digital
Stakeholders suggested that digital skills were lacking at all levels from basic IT in some cases to advanced programming skills in others.

Leadership and management
Stakeholders felt that this skills gap affects organisations of all sectors and sizes and areas of particular areas of concern were around how to grow a business, crisis management and how to manage employees remotely.

Sales and marketing
Stakeholders felt that this was a skills gap prior to Covid-19, and Covid-19 has accelerated the need for upskilling, with traditional account management becoming impractical to conduct and businesses needing new ways of communicating with their customers.

Science, technology, engineering and mathematics (STEM)
Particularly in the life sciences sector and advanced engineering and manufacturing sectors

Literacy and numeracy
Particularly referring to individuals who may find themselves out of work and will require a Maths and English qualification to re-enter employment.

Construction
At all levels and disciplines as they are expecting an increase in demand in this sector due to Government support.

Legal
Referring specifically to an insufficient number of individuals in Hertfordshire to fill the roles required due to them choosing higher paid and / or more high profile roles in London

3.2. Digital skills gaps

Respondents identifying digital skills gaps were prompted with a list of specific digital skills and asked to select those they felt were a gap within their organisation. Out of those that acknowledge digital skills gaps, three quarters of employers felt that digital marketing was a skills gap, followed by digital design and app development, Artificial Intelligence (AI) and Customer Relationships Management (CRM).

Figure 1: Types of digital skills gaps in current workforce (N=25,526, n=44)
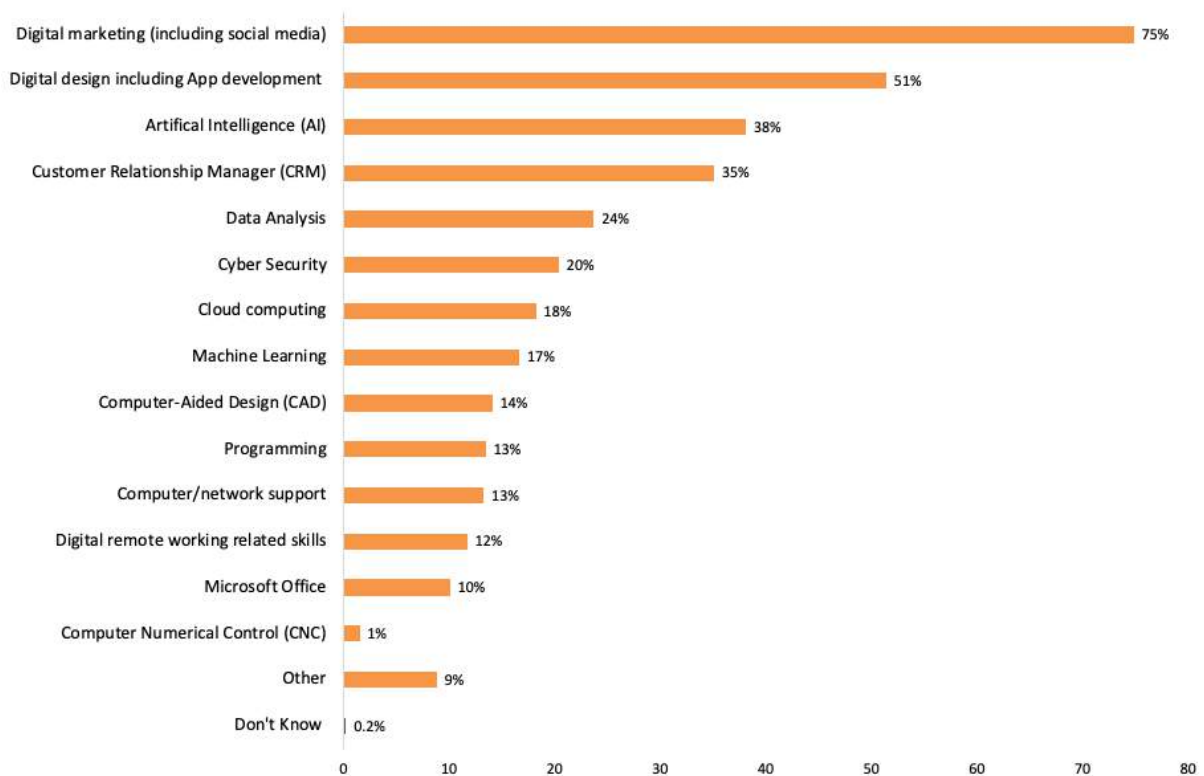
Analysis did not show any significant difference between the types of organisations that selected different digital skills gaps.

23 out of the 57 Hertfordshire respondents selected digital skills as a gap, across a range of sectors and size bands. The profile of respondents selecting each digital skill type was broadly in line with the whole sample.

3.3.   Skills gap implications

Respondents were asked to select up to three of their identified skills gaps that they felt were having the biggest impact on their performance / productivity. The chart below shows, for each skills gap, the proportion of respondents reporting it who then selected it as having one of the biggest impacts. For example, of the respondents that selected 'job specific skills' as a gap at all, 89% reported it to be one of the top three gaps impacting on their organisation's performance.

Figure 2: Skills gaps with biggest impact on organisational performance (N=47,715, n=77)

Although based on the small sample sizes, it suggests that job specific skills gaps have the 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 those gap(s) were impacting on five Key Performance Indicators (KPIs).

Figure 3: Employers' views on the extent to which their skills gaps are impacting on five KPIs (N=59,225, n=110)
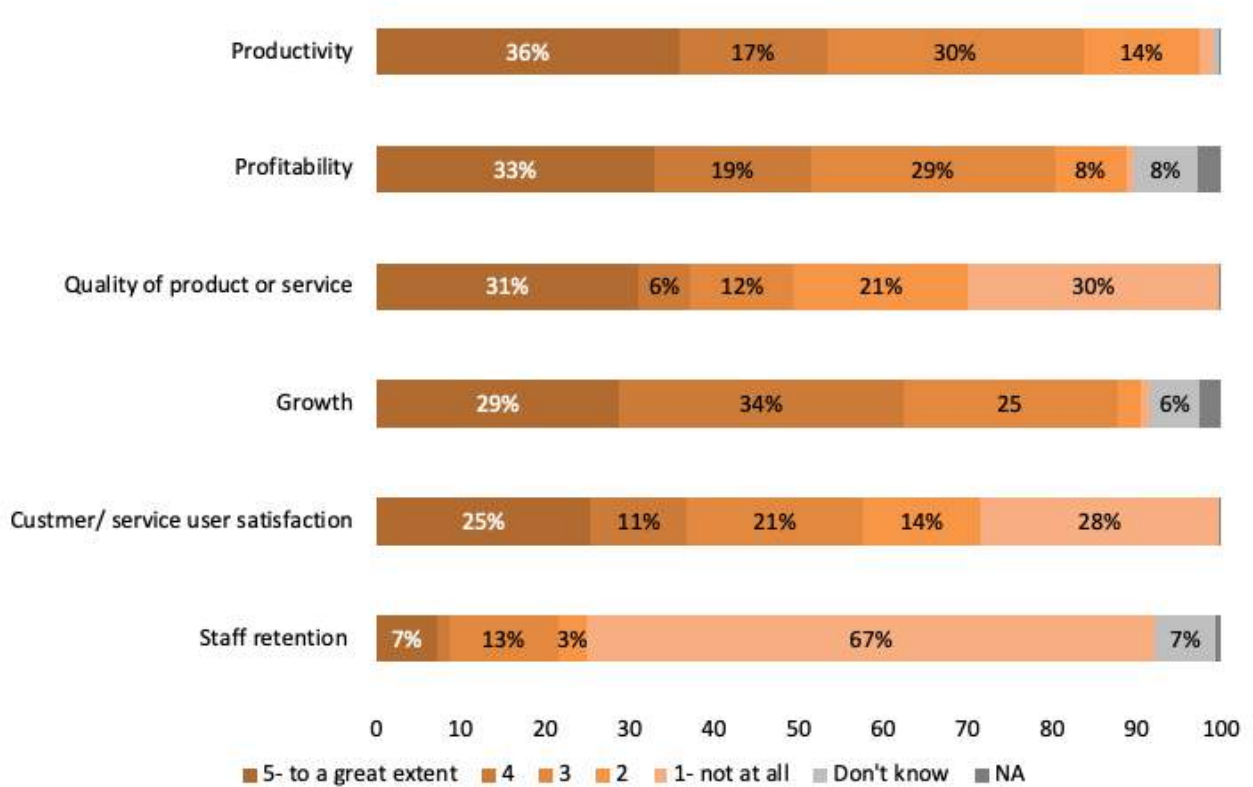
The evidence suggest that employers felt that their skills gaps were having substantial impacts on productivity, growth and profitability, as opposed to product quality, staff retention and customer service. Analysis did not show any particular links between certain skills gaps and impact on specific KPIs.

The percentages shown in the chart below should be interpreted with extreme caution due to the extremely small sample sizes and it is important to note that the chart only shows skills that were selected by ten or more employers. It shows that Her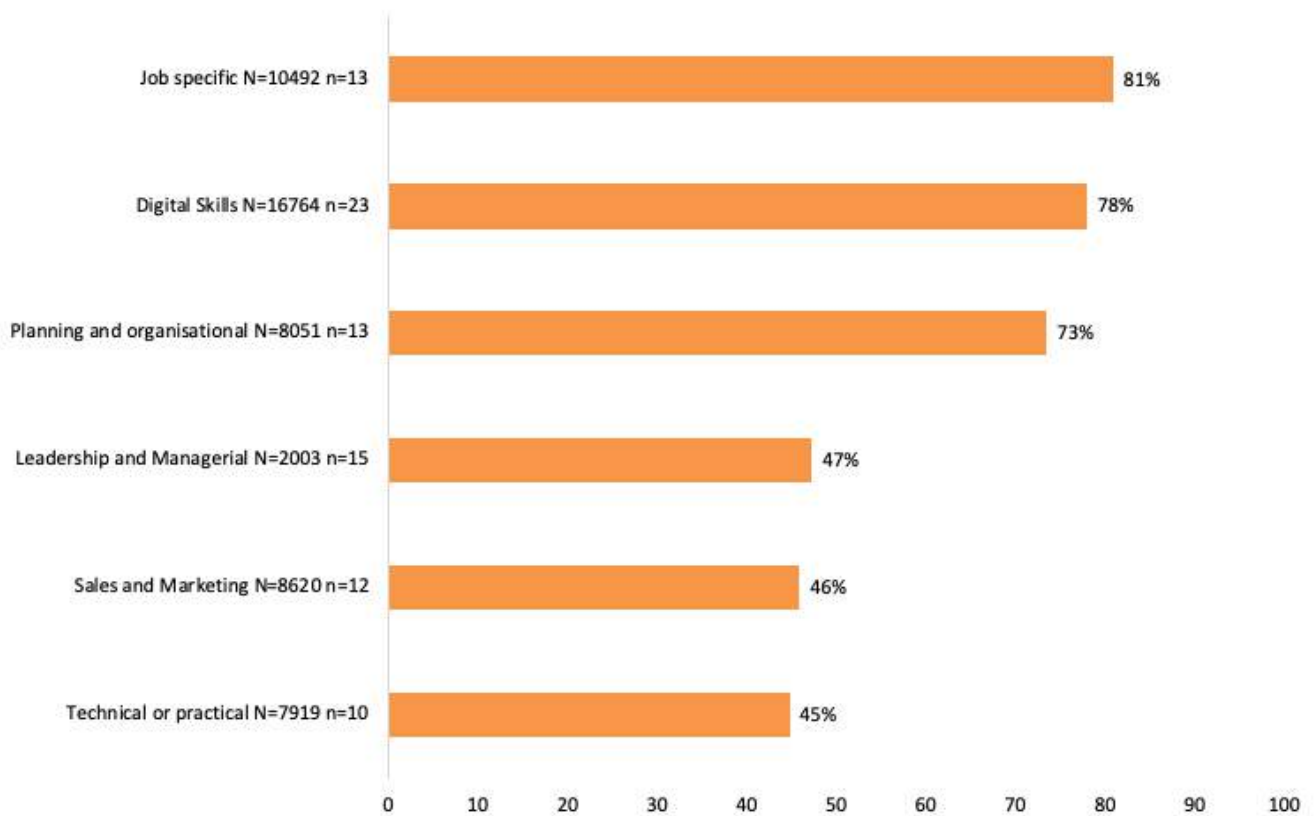tfordshire employers rated job specific skills as the skills gap that is having the biggest impact on organisational performance. This is closely followed by digital skills and planning and organisational skills.

Figure 4: Hertfordshire skills gaps with biggest impact on organisational performance

Similar to the whole population, Hertfordshire employers more commonly felt that their skills gaps were having substantial impacts on productivity, growth and profitability, as opposed to product quality, staff retention and customer service.

Stakeholders were asked what they felt the impact of skills gaps are on the productivity / growth of organisations. In general stakeholders felt positive about the productivity of Hertfordshire organisations, with one stakeholder explaining *"Hertfordshire is in the top quartile [for productivity] in the country, but we are treading water and others are taking over us. It will be interesting to see what happens to productivity as people start to lose their jobs"*. However, some stakeholders felt that skills gaps were contributing to the following issues:

- Poor ability to adapt to the changes brought about by Covid-19, either because of poor leadership and management skills and / or poor digital skills. Examples cited include retail stores with no digital presence, and therefore unable to sell with reduced footfall, and hospitality businesses that have been unable to innovate and offer customers alternatives to the dining in experience.

- Businesses spending a lot of time and money trying to recruit employees. Some stakeholders added that this can be particularly true for engineering and science related roles; citing analysis that vacancies for those types of roles tend to be advertised for long periods of time.

3.4.   Reasons for skills gaps

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

Table 1: Reasons for specific skills gaps cited by Hertfordshire employers

Skills identified as having biggest impact	Most commonly selected reasons *(where a majority of respondents selected the reason, and the reasons are listed in order of the most commonly selected to the least commonly selected)*
Digital Skills	Low number of applicants with the required skills and qualifications Lack of appropriate training or courses Insufficient training budget
Leadership and Managerial	Lack of appropriate training or courses Insufficient training budget Low number of applicants with the required skills and qualifications Staff are not seeking to upskill
Technical or practical	Low number of applicants with the required skills and qualifications Lack of appropriate training or courses Inflexible times/durations of training or courses
Sales and Marketing	Lack of appropriate training or courses Insufficient training budget Low number of applicants with the required skills and qualifications
Planning and organisational	Insufficient training budget Lack of appropriate training or courses

	My organisation is not prepared/able to release staff during work hours
Job specific	Training provision is not easily accessible e.g. remote location with inconvenient public transport Insufficient training budget Low number of applicants with the required skills and qualifications Lack of appropriate training or courses

There were no clear differences in how Hertfordshire employers in particular responded to this question.

Stakeholders were asked for their view on the reasons behind particular skills gaps in Hertfordshire. The following stakeholder perceptions were identified in responses:

- Hertfordshire produces highly skilled individuals but the county struggles to retain them; for example, a high proportion of school leavers go on to a university city/town, and these skilled individuals often choose to stay in / relocate to these for work, and / or commute to London (due to its proximity).

- Some sectors have a poor reputation and struggle to attract employees; one example given by a handful of stakeholders is the care sector, which is not seen as an attractive working environment and is poorly paid.

- A reluctance amongst employers to train their existing staff, partly due to a perception that there isn't enough time for employees to take time out to upskill, and partly due to some employers being unaware of the support available to help upskill employees.

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 the view of employers regarding improvements they would like to see to training provision in the LEP area.

The majority (88%) of employers reported taking action in the last twelve months to upskill existing employees, predominantly in-house training. The majority (87%) of employers also say they are likely to take action to upskill employees in the future. Employers in Herts would like to see greater awareness raising of what training is on offer, better engagement with businesses to ensure training is relevant, improved communication and coordination of apprenticeships, greater flexibility in how funding can be used to support the cost of training and better local provision of sector specific training.

4.1.   Upskilling action taken in the last twelve months

Respondents were asked if they had taken action to improve the skills of existing employees in the last twelve months, and were prompted with a list of possible actions. The majority of respondents (88%) across the whole sample said they had taken at least one action in the last twelve months. The most common actions taken were on-the-job and / or in-house training and development.

Figure 5: Actions taken in the last 12 months (N=80,255, n=126)
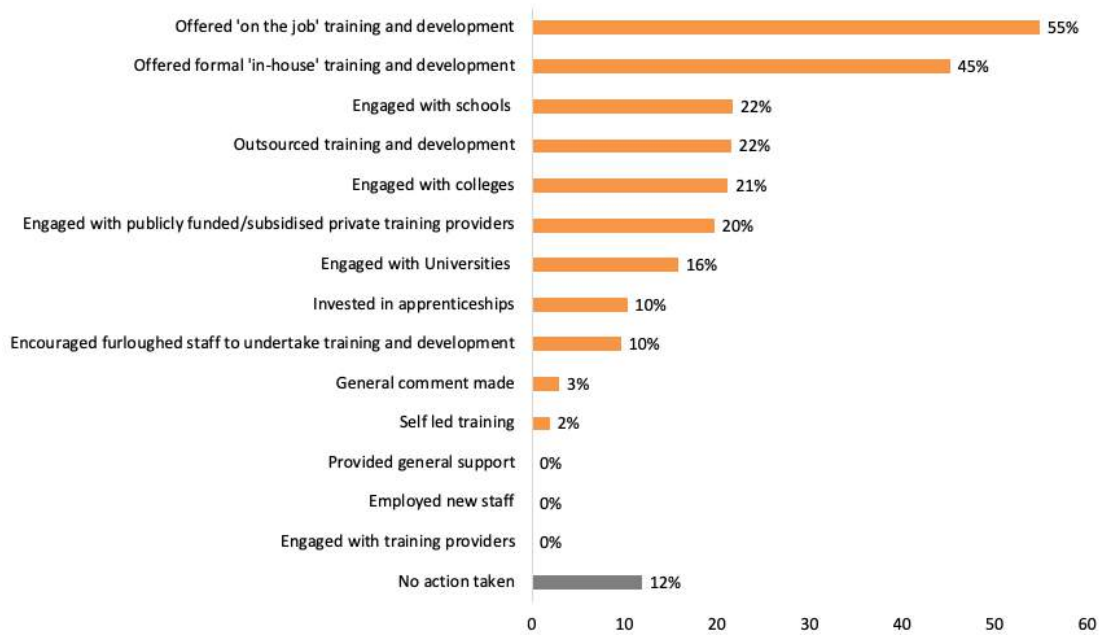
Most of the employers that have taken action in the last twelve months have taken multiple actions. Analysis does not show any particular differences in action taken by employer profile. Respondents that stated that they had not taken action were asked why not. In these cases the respondents stated that they didn't think there was a need to take action.

Almost all (95%) of the Hertfordshire employers responding to this survey say they have taken one or more of the prompted actions over the last 12 months. Similar to the whole population, the most frequently selected actions were on the job training and formal in-house training.

Figure 6: Number of Hertfordshire employers taking action in the last 12 months (N=47273, n=57)
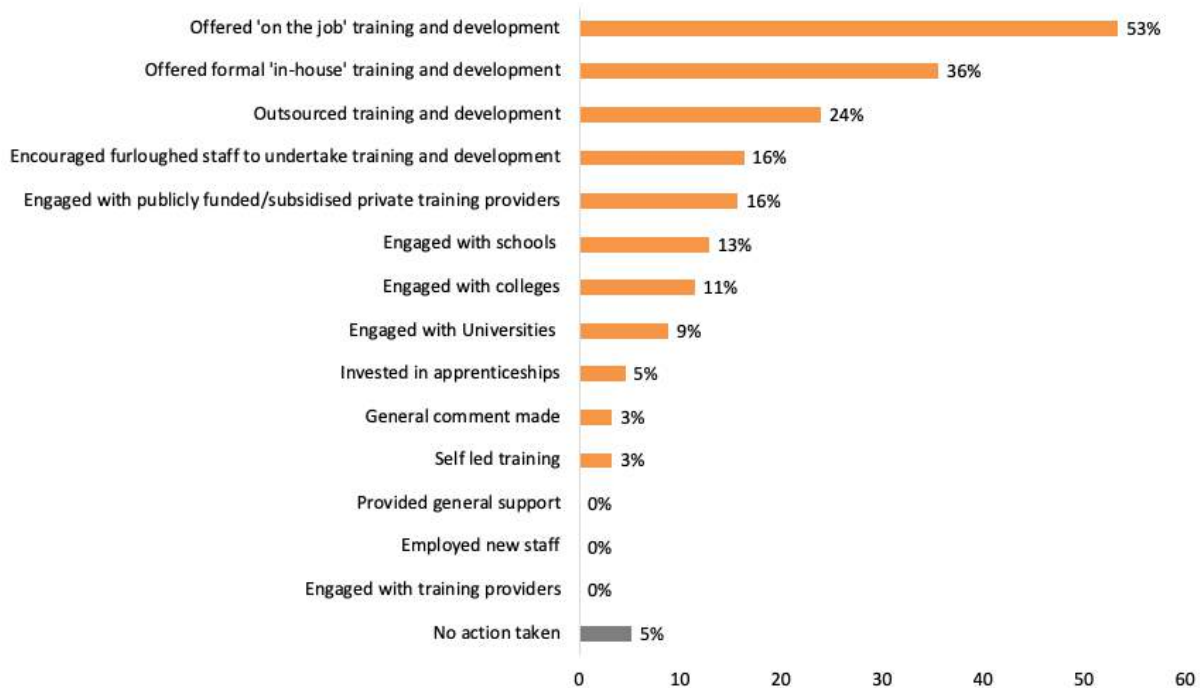
Respondents that said they had not taken action in the last 12 months commented that they felt that there wasn't a need for them to take action, with one specifically adding that that they had already *"invested a lot of time and resources to improve the skills of our work force"* prior to the previous twelve months.

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. The majority of respondents (86%) said that they would be likely to take one or more actions in the future.:

Figure 7: Likelihood of taking action in the future (N=80,255, n=126)

	Very likely	Likely	Neither likely or unlikely	Unlikely	Very unlikely	Don't know
Offer in-house or 'on the job' training and development	42%	11%	21%	18%		
Engage in private training providers	25%	35%	12%	19%		
Engage with universities	15%	11%	9%	28%	29%	
Invest in apprenticeships	14%	14%	16%	17%	32%	
Offer work experience or placement opportunities	12%	28%	8%	7%	39%	
Outsource training and development	7%	20%	21%	15%	23%	10%
Engage with schools	7%	7%	14%	22%	43%	
Engage with colleges	7%	17%	11%	28%	30%	

Encouragingly, in total almost three quarters (70%) say they are likely to engage with external providers and / or other stakeholders in some way. In particular, over half of employers (60%) say they are likely to engage with private training providers and over a quarter (28%) say they are likely to invest in apprenticeships.

In general, the actions employers expect to take in the future, mirror those taken in the last twelve months, hence why roughly half of respondents have said they are likely or very likely to offer internal / on the job training.

Similar to the whole sample, a large majority of Hertfordshire employers (86%) say that they are likely to take one or more actions in the next 12 months to upskill their existing workforce.
Two thirds (65%) said they are likely to engage with private training providers and 57% said they are likely to offer inhouse training. The data suggests that Hertfordshire employers may be less likely to engage with universities compared to the whole sample, with just 8% of employers in Hertfordshire saying they are likely to against 26% in the whole sample. All other options were selected in similar proportions of the whole sample.

Are likely to engage with external training providers to upskill their staff in the next 12 months (N=80,255 n= 126)

70%

4.3.   Effectiveness of training provision in Hertfordshire

Stakeholders were asked their views on the effectiveness of training provision in Hertfordshire. Most stakeholders felt that they did not know enough about the training provision in the county to comment in detail, but felt that there weren't any major issues. Of the handful of stakeholders that did feel able to comment, the following were mentioned:

- There has been improvement from FE colleges and other providers over recent years to ensure a more coordinated approach to training provision in terms of more closely matching the supply of training with demand from employers.
- There is sufficient levels of funding for training in the area, particularly for key sectors such as construction and care. However, more funding should be available for the smaller employers that are less willing / able to pay for training.
- There are too many instances of organisations outside of Hertfordshire delivering training and / or apprenticeships within the county, which goes against an ethos of 'keeping it local'.

Employers were asked if they felt any improvements could be made to local training provision. Across the whole sample, just over half of respondents (56%) did so; 21 out of 57 Hertfordshire employers that felt improvements could be made. The main themes emerging from comments made by respondents were as follows:

- **Better awareness raising of what is on offer.** One respondent suggested that an online portal of training providers and courses would be useful. In relation to this, another respondent commented that there were frequent changes to training offered and that it is difficult for employers to keep up with what is available.

- **Better engagement with businesses to ensure training is relevant.** One respondent suggested that there should be better engagement between schools and universities and businesses to ensure teaching is relevant to business needs. Another respondent felt that private training providers should be engaging more with businesses to improve the relevance of training.

- **Improved communication and coordination with regards to apprenticeships.** Several respondents mentioned that despite approaching schools, universities and colleges regarding taking on an apprentice, nobody had got back to them. One employer from the construction sector said that despite liaising with a college about taking on an apprentice they had not had any applicants in two years, and did not understand why.

- **More funding available for training.** A few respondents suggested that there should be more funding available, and greater flexibility as to how available funding can be used. For example, one respondent suggested they could not find any funding for adults; another said that funding for training on how to set up a business should be available.

- **More industry-specific training in the local area.** Two respondents commented that it would be useful to have access to RIBA-accredited courses for architects in their local

area. Another respondent in the manufacturing sector mentioned that they did not have local access to quality assurance training specific to their activity.

5. Recruitment

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

One in five employers say that, in the last twelve months, they have had a vacancy that has been hard to fill. The most common reason for this was perceived 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 approaches. Stakeholders felt that the Hertfordshire Opportunities Portal[13] launched in November 2019 would be a key way to improve employers' recruitment efforts in the future.

Whilst employers most frequently selected digital skills and technical / practical skills as those that they will need in greater numbers in next three to five years, stakeholders envisaged greater numbers of people working in – and therefore skills needed in – the following sectors; health and social care, digital, construction and planning, the green economy and professional services.
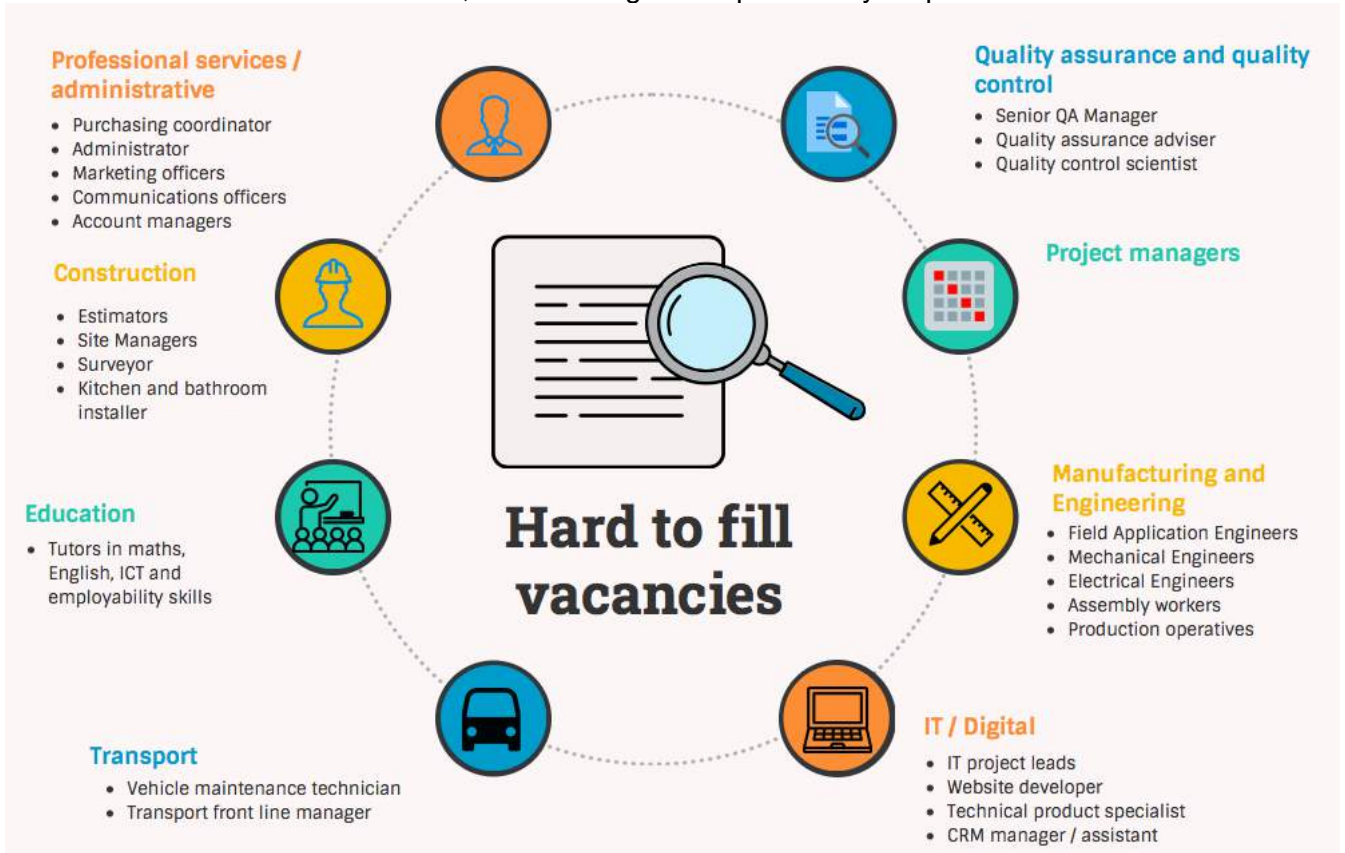
5.1. Hard-to-fill vacancies

All respondents were asked whether, in the last twelve months, they had any hard to fill vacancies. One fifth of respondents (20%) across the whole sample reported that they had.

20%
of employers

have had hard to fill vacancies in the last 12 months

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[13] www.hopinto.co.uk

Analysis shows that hard to fill vacancies were particularly evident in the following sectors; education, construction and manufacturing. When asked to specify job roles that they found hard to fill in the last twelve months, the following were specified by respondents:


Professional services / administrative
- Purchasing coordinator
- Administrator
- Marketing officers
- Communications officers
- Account managers

Construction
- Estimators
- Site Managers
- Surveyor
- Kitchen and bathroom installer

Education
- Tutors in maths, English, ICT and employability skills

Transport
- Vehicle maintenance technician
- Transport front line manager

Quality assurance and quality control
- Senior QA Manager
- Quality assurance adviser
- Quality control scientist

Project managers

Manufacturing and Engineering
- Field Application Engineers
- Mechanical Engineers
- Electrical Engineers
- Assembly workers
- Production operatives

IT / Digital
- IT project leads
- Website developer
- Technical product specialist
- CRM manager / assistant

Hard to fill vacancies

Causes of hard to fill vacancies

All respondents were prompted 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 8: Typical causes of hard to fill vacancies (N=80,355, n=126)
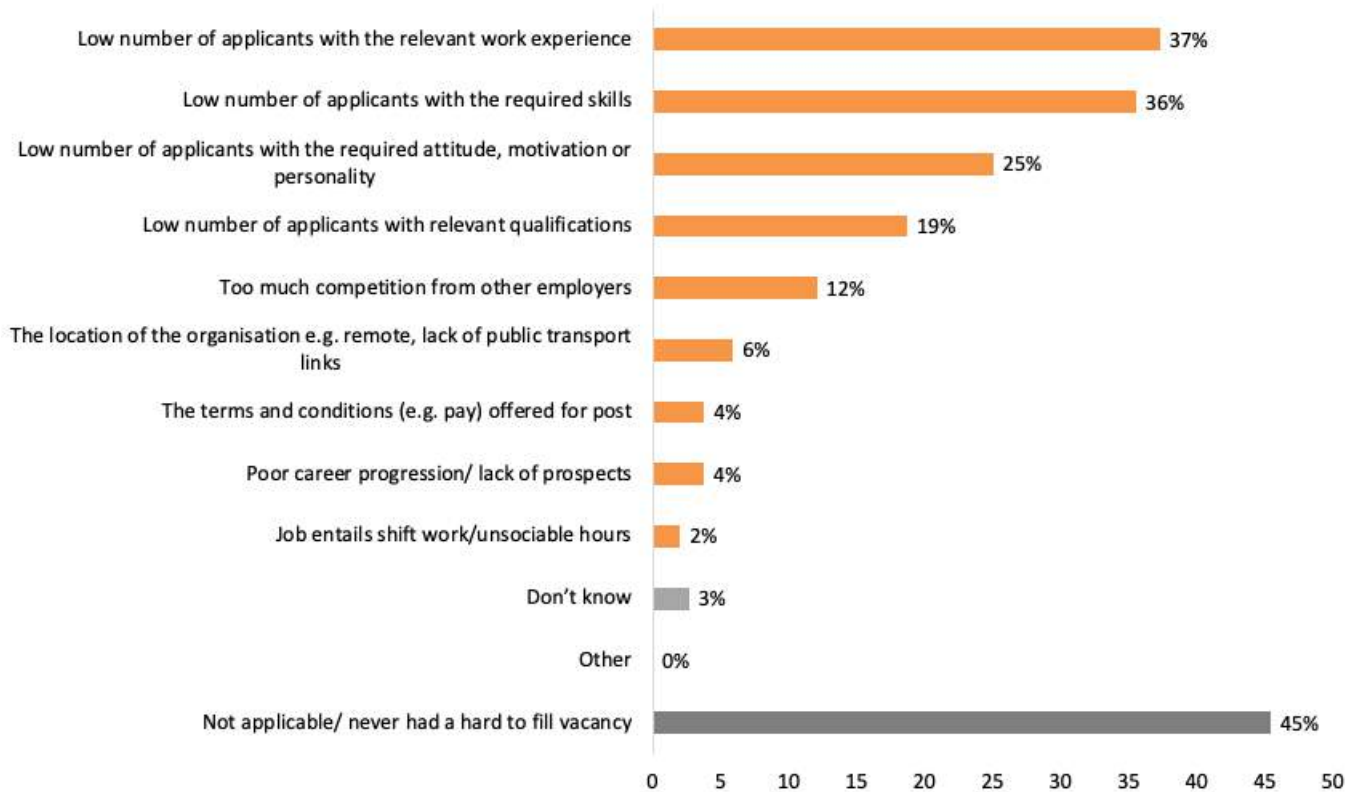

Overall, perceived applicant deficiencies were by far the most commonly selected reasons for hard to fill vacancies. Analysis did not show any correlation between types of vacancies and the causes for those vacancies.

15% of Hertfordshire employers said that they had had one or more hard-to-fill vacancies in the last 12 months; this group comprised a range of public and private sector organisations, of various sizes. Qualitatively, responses suggest that Hertfordshire employers feel that deficiencies in applicant skills and / or a low numbers of applications are the main causes of hard to fill vacancies.

5.2.   Recruitment approach

All employers were asked how their organisation typically advertises or promotes their vacancies, selecting from a prompted list:
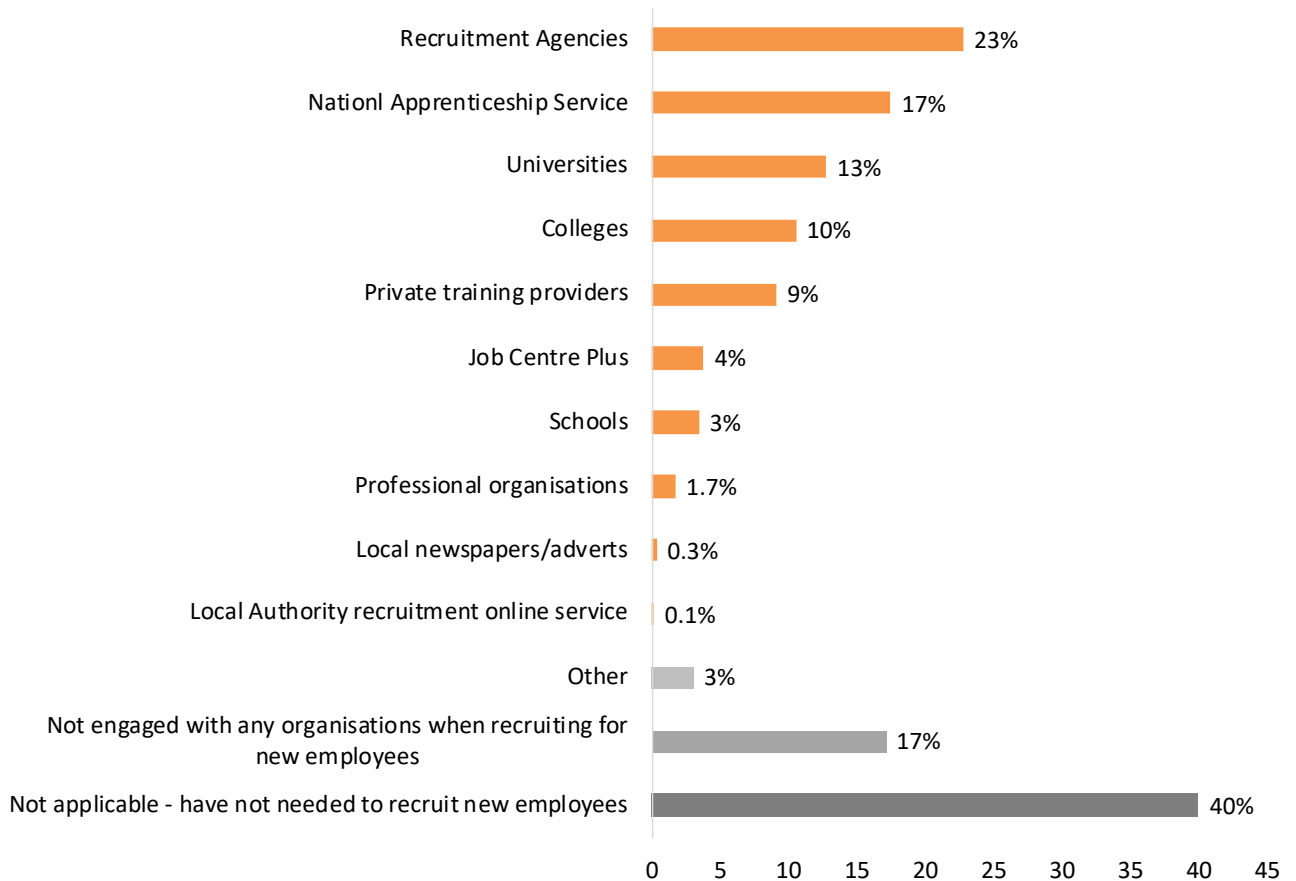
Figure 9: Recruitment approaches used by employers (N=80,255 n=126)
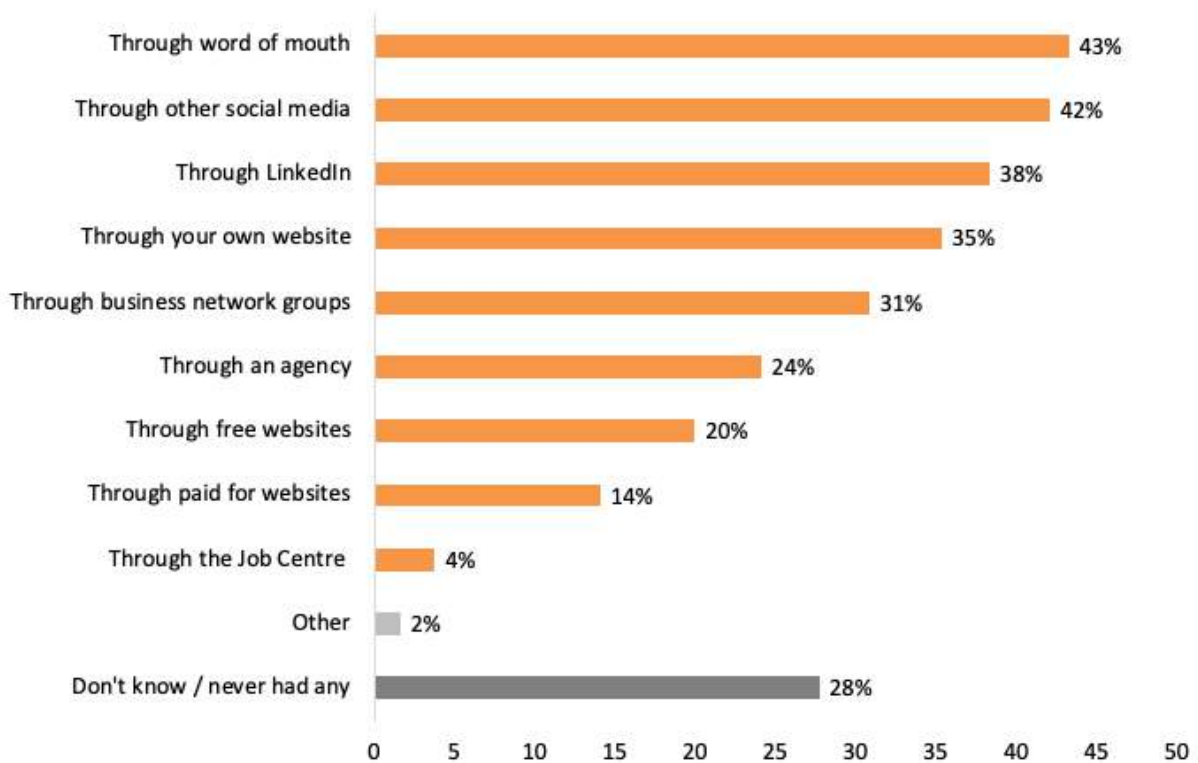
Organisations were using a range of approaches to recruit new staff, particularly free or low cost methods such as word of mouth, social media, LinkedIn, through their own website or through business networking groups.

All respondents were prompted with a list of local organisations and asked to select which they had used to try and recruit new employees. The majority of employees (83%) reported having engaged with at least one local organisation, with recruitment agencies being the most commonly cited.

Figure 10: Organisations engaged to recruit new employees (N=80,255 n=126)

The recruitment approaches used by Hertfordshire employers were similar to those of the whole sample, with the most frequently selected options being other social media (44%), LinkedIn (42%) and word of mouth (38%).

Likewise, organisations engaged by Hertfordshire employers aligned with the whole sample – for example, recruitment agencies were the most frequently selected (19%), followed by the National Apprenticeship service (17%).

5.3.   Effectiveness of recruitment channels used by employers

Stakeholders were asked for their views on the effectiveness of recruitment channels used by employers in Hertfordshire. Stakeholders acknowledged that many employers in Hertfordshire found it difficult to recruit employees, but were unsure whether this was due to the effectiveness of recruitment channels used by employers, or because of other issues such as Hertfordshire tending to have a low unemployment rate.

"Employers tend to stick vacancies on indeed, or something similar and this may not attract the best talent, and therefore they waste a lot of time."

"There has traditionally been low unemployment in Hertfordshire so this makes it more difficult for employers to recruit."

Hertfordshire Opportunities Portal was mentioned by several stakeholders as being a key mechanism to assist employers find employees and to assist young people in particular get into work. The portal was launched in the first quarter of 2020 by the LEP. At the time of the interviews it was felt that the portal had not been running long enough to assess how effective it had been.

5.4.   Higher qualifications

Respondents in Hertfordshire[14] were asked if they require any of their employees to have a higher qualification. Just 15% of employers said that they did. Almost two thirds (62%) said that they do not and 23% said that they did not know.

Hertfordshire respondents were then asked if they are currently supporting (either financially or by allowing employees to study during working hours) any of their employees to work towards a higher qualification. Just 3% of employers said yes, 90% said no and the remaining 7% said that they did not know.

Respondents were also asked how likely it is that their organisation will support their employees to undertake a higher qualification in the next three years. 17% said that they would be very likely or likely. 53% said that they would be unlikely or very unlikely, and the remaining 30% said they would be neither likely or unlikely.

Stakeholders were asked for their views on employer interest in higher qualifications. Only a handful of stakeholders felt they were able to comment. One stakeholder explained that employers are keen on higher qualifications, but the cost of such qualifications is a barrier, as there isn't usually any funding to support the cost, with funding for training tending to be

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[14] Percentages in this section are based on the following populations; N=44,067, n=49.

focused on level 2 and 3 qualifications. Another stakeholder commented that the cost is even more of an issue for smaller organisations. Other stakeholders commented that they felt that the Government should move away from the idea that formal qualifications are the only worthwhile type of training (for employees and employers), and instead invest in / support employers to invest in short courses or *"bite-size modules"* that are better suited to smaller organisations.

5.5.　　Future skills

Respondents were asked if they will need more or fewer employees with particular skills in the next three to five years:

Figure 11: Employer's views on requiring more or fewer staff with particular skills (N=67997 n=91)
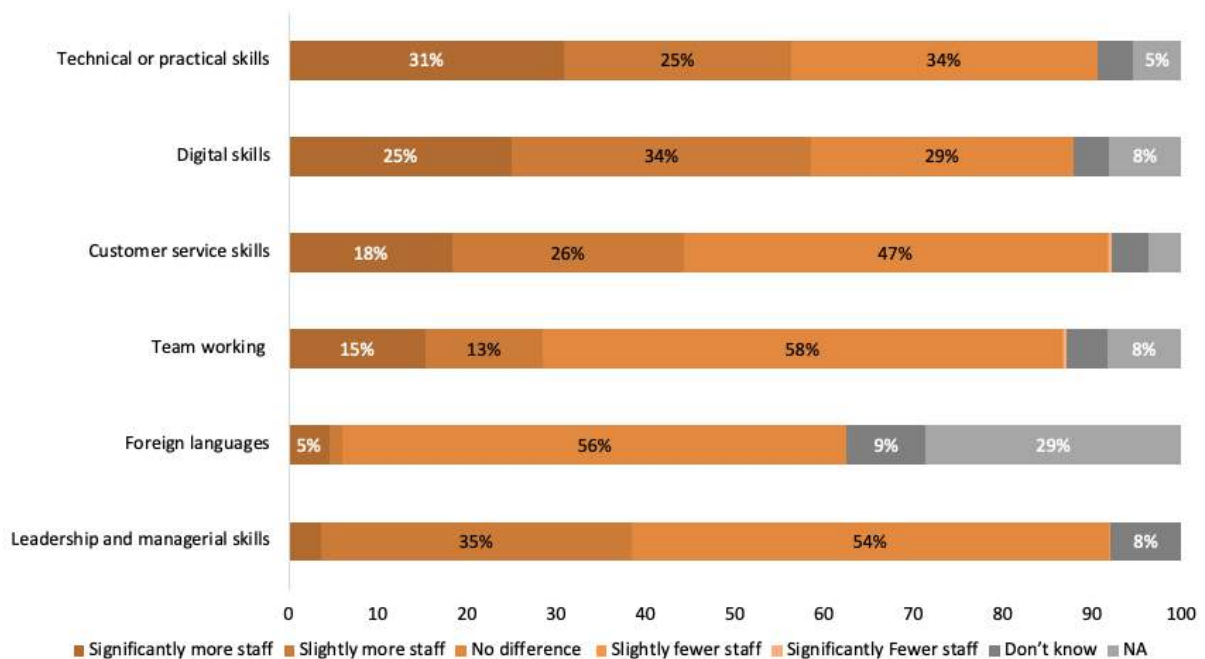
Respondents in Hertfordshire were asked, in the context of Covid-19, whether they felt ready to discuss future skills needs in the next three to five years. 15 respondents said that they did. Of these, nine said they thought their skills needs would change in the next three to five years. When asked to describe how, responses focused on digital skills. Comments included:

> *"Hertfordshire will require a greater number of engineering based staff with CAM skills/process related knowledge." (Manufacturing, 1-4 employees)*

"More requirement for AI, advanced analytics and IT skills to support related software"
(Construction, 1-4 employees)

"More of a move to digital online learning away from face to face."
(Education, 250+ employees)

"More digital skills and innovation."
(Hospitality, 11-25 employees)

Stakeholders were asked for their views on future skills needs in Hertfordshire. There was strong consensus as to the likely biggest areas of demand, which included:

Health and social care - including doctors, nurses, care sector – stakeholders explained that whilst this sector isn't a priority sector in Hertfordshire in terms of growth, there will of course continue to be a demand for employees in this sector.

Construction – based on the Government's support for this sector.

Digital skills – across most sectors and job types.

Green economy – stakeholders commented that they had heard this term a lot in the national news but were unsure about what it means in practice for skills requirements.

Planners – linked with the Government's 'push' on construction and infrastructure projects.

Professional services – for example in finance and law due to the likelihood that skilled individuals will continue to move away from or commute out of Hertfordshire.

5.6. Training budgets

All respondents were asked if they have a training budget for 2020-21. Out of the whole sample, 29% of employers said that they did, a similar proportion to Herts employers specifically (26%). When asked to specify their training budget, six respondents in

Hertfordshire provided values, ranging from £750 to £25,000, correlating with the size of the organisation.

6.   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. It also summarises the views of stakeholders on the level of employer interest in apprenticeships.

A majority of employers reported 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 did not. Stakeholders felt that there were two fundamental issues to employers offering apprenticeships within Hertfordshire. Firstly, a continuing misperception that apprenticeships are a 'second-class' option compared to university qualifications. Secondly, a misperception that apprenticeships are only for roles that require manual skills.

6.1.   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 12: Awareness and understanding of apprenticeships (N=80,255, n=126)
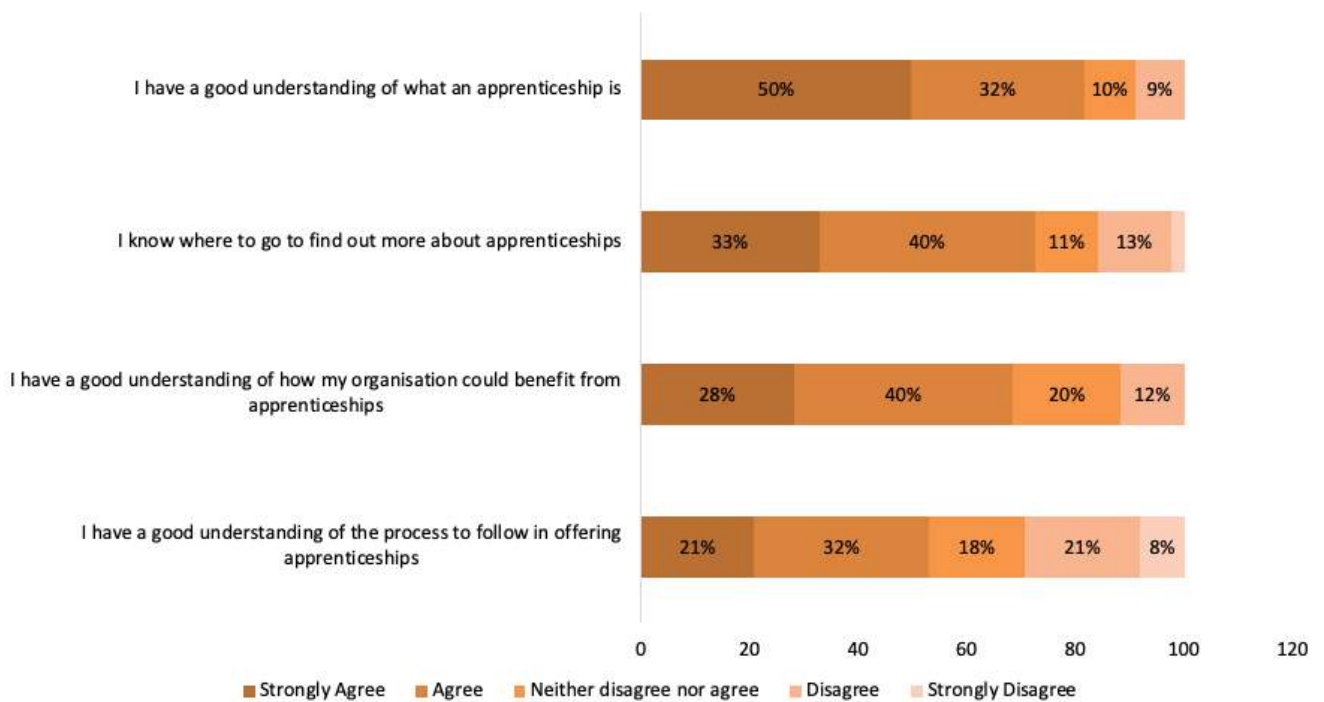

Figure 13 shows that whilst a majority of employers feel they have a good understanding of apprenticeships, a sizeable proportion that do not. In particular, over a fifth of respondents

(21%) do not know where to go to find out more about apprenticeships and over a quarter of respondents (28%) disagreed that they had a good understanding of the process to follow in offering apprenticeships.

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

Figure 13: Knowledge of how apprenticeships can be used (N=74,494, n=105)
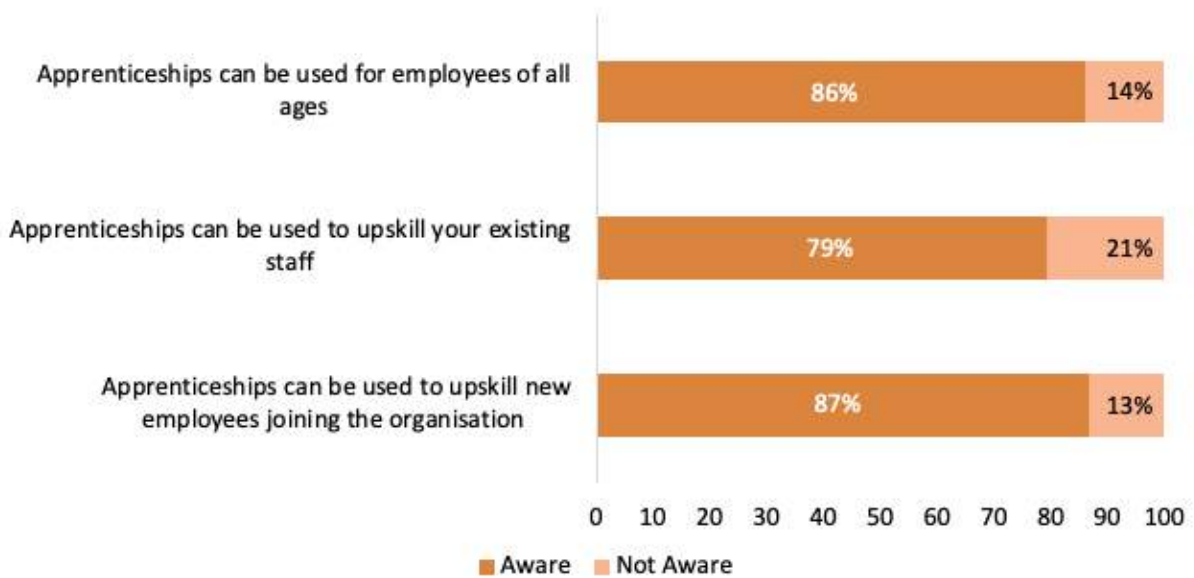
Reported awareness amongst employers regarding how apprenticeships can be used looks to be relatively high. However, it should be noted that stakeholders often commented that there are still many employers who think apprenticeships are just for roles requiring manual skills (for example construction and engineering), and therefore there may be other aspects of apprenticeships that employers are less aware of.

The response from Hertfordshire employers was similar to that of the whole sample.
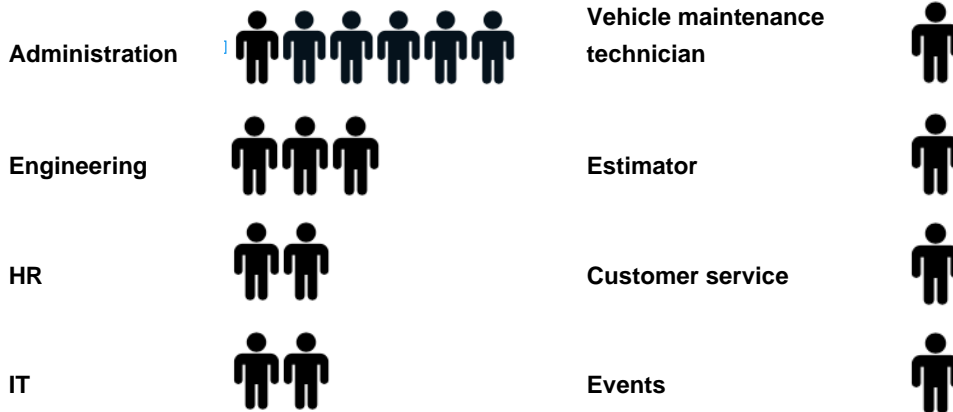
6.2. Current use of apprenticeships

Respondents were asked whether they currently employ any apprentices. Across the whole sample, 3% of respondents said that they do. Less than 1% (equating to three respondents) said that they did employ apprentices prior to lockdown but do not now.

12 employers in Hertfordshire said that they currently employ apprentices; these comprised public sector, manufacturing, construction, health care and agriculture organisations. A

further three Hertfordshire employers - from the construction, ICT and health care sectors - said that they had employed apprentices prior to lockdown but do not do so now.

Respondents were asked to specify the apprentices that they currently employ. Employers in Hertfordshire reported the following types and numbers of apprenticeships:

Administration	👤👤👤👤👤👤	**Vehicle maintenance technician**	👤
Engineering	👤👤👤	**Estimator**	👤
HR	👤👤	**Customer service**	👤
IT	👤👤	**Events**	👤

6.3.   Views on using offering apprenticeships in the future

All respondents were asked whether they would consider offering apprenticeships in the future. Almost half of respondents (47%) across the whole sample said that they would. A quarter of respondents (27%) said that they would not and a quarter of respondents (26%) were not sure.

44% of Hertfordshire employers also say they would consider offering an apprentice in the future, 37% said they would not and 19% said they were unsure.

Would consider taking on an apprentice in the future
(N=74494 n= 105)

47%
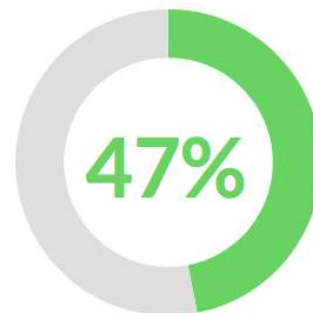
6.4. Reservations about offering apprenticeships in the future

Respondents were prompted with a list of potential reservations about offering apprenticeships and were asked to select any that they felt applied to their organisation:

Figure 14: Employer reservations about offering apprenticeships (N=80,255, n=126)
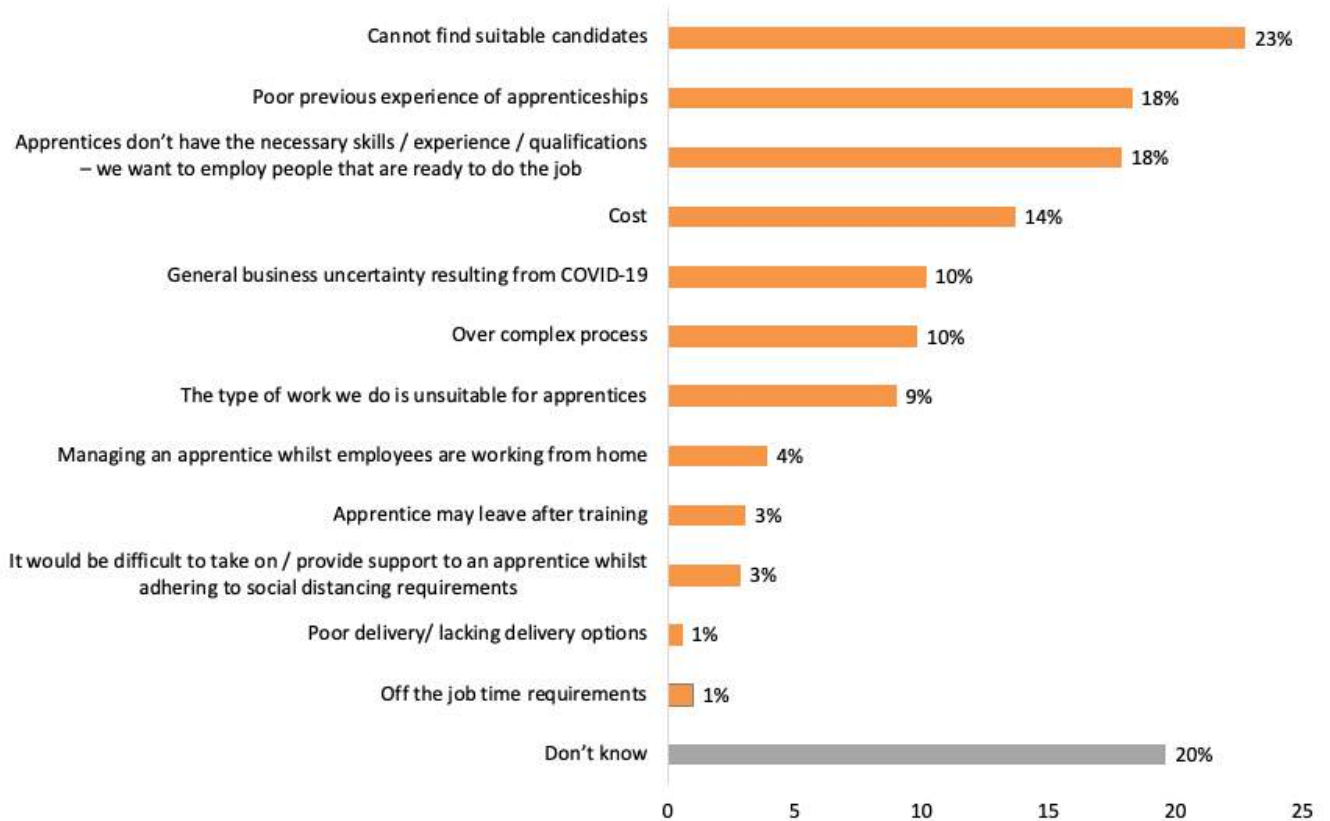
The most commonly selected reservation was 'cannot find suitable candidates', followed by 'poor previous experience of apprenticeships' and 'apprentices don't have the necessary skills'. Smaller proportions of employers say they have reservations about Covid-19 and taking on an apprentice.

Hertfordshire employers responded in a similar way to the whole sample, with similar proportions of employers selecting each reservation.

Stakeholders were asked for their views on employer interest in apprenticeships. The following themes were identified:

- **A continuing perception that apprenticeships are less worthwhile than university education** – three stakeholders explained that Hertfordshire is - and has been for a long time - an area where young people are encouraged by schools and parents to attend university. As a result, apprenticeships are perceived to be less desirable. As those young people attend university, enter the workforce and become the new leaders and managers in organisations, they bring with them the view that apprenticeships are not as worthwhile as university education, and therefore continue to employ graduates rather than consider apprenticeship alternatives. The stakeholders felt that there needed to be a significant shift in attitudes at a national and local level for this problem to be overcome.

"Apprenticeships numbers are lower than the national average here. With Govt now pushing apprenticeships, we should capitalise on this and push it as a valid option instead of university. If this were to happen I think it would also increase the level of interest from employers in taking on apprentices."

"I attended a seminar five years ago about how the Government were going to change to modern apprenticeships and how the levy could be used - five years on this information still has not permeated to businesses so they are unaware of how they could benefit."

- **A perception that apprenticeships are just for roles requiring manual skills –** Many stakeholders commented that many employers perceive apprenticeships to be for trade related roles and are unaware of the full range of apprenticeships that can be delivered. Most stakeholders felt that there was a need for greater education amongst employers regarding how they could benefit from apprenticeships.
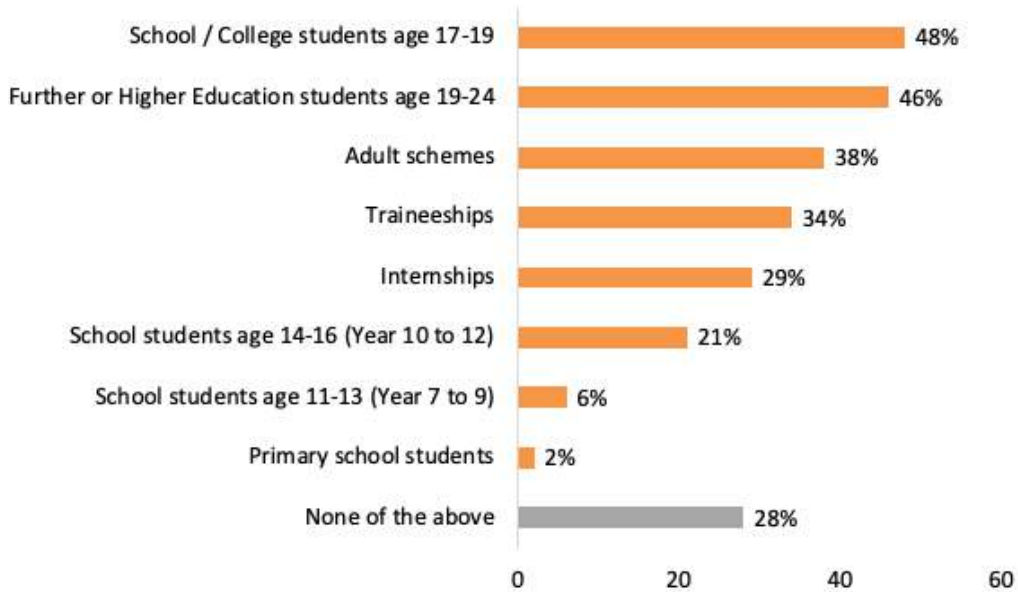
7. Work placements

This chapter reports the views of employers and stakeholders regarding employer willingness to offer work placements, their reservations towards work placements and interest in future support around work placements.

Almost three quarters (72%) of employers said they would be willing to offer work experience placements. However a similar proportion (77%) of employers had reservations; of the reasons prompted in the survey, the most frequently selected were a lack of time to spend with an individual on a work placement, and the lack of time to organise a placement opportunity. Whilst stakeholders acknowledged these barriers, they also felt that there were other key issues preventing more work placements taking place, such as a lack of a national or local programme that takes responsibility for the management of work placements, a perception amongst employers that regulations on work experience placements are burdensome, and generally low engagement between employers and schools / colleges in Hertfordshire.

7.1. Willingness to offer work placements

Respondents were promoted with a list of potential work experience groups and were asked whether they would be willing to offer work experience placements to any of them. Respondents were able to select all that applied. 72% of the whole sample said that they would be willing to offer work experience placements to one or more groups. Full responses are shown below:

Figure 15: Employer willingness to offer work experience placements (N=80,255, n=126)


41% of Hertfordshire employers responding to this survey said that they would be willing to offer a work placement to one or more groups of individuals. Hertfordshire employers responded in a similar way to the whole sample, with employers most frequently suggesting they would be willing to offer placements to school / college students aged 17-19 and / or further / higher education students aged 19-24.

7.2.   Reservations about offering work placements

Respondents were given a list of potential reservations about offering work placements and were asked to select all that applied to them. Responses are shown below:

Figure 16: Employer reservations about offering work placements (N=80,255, n=126)
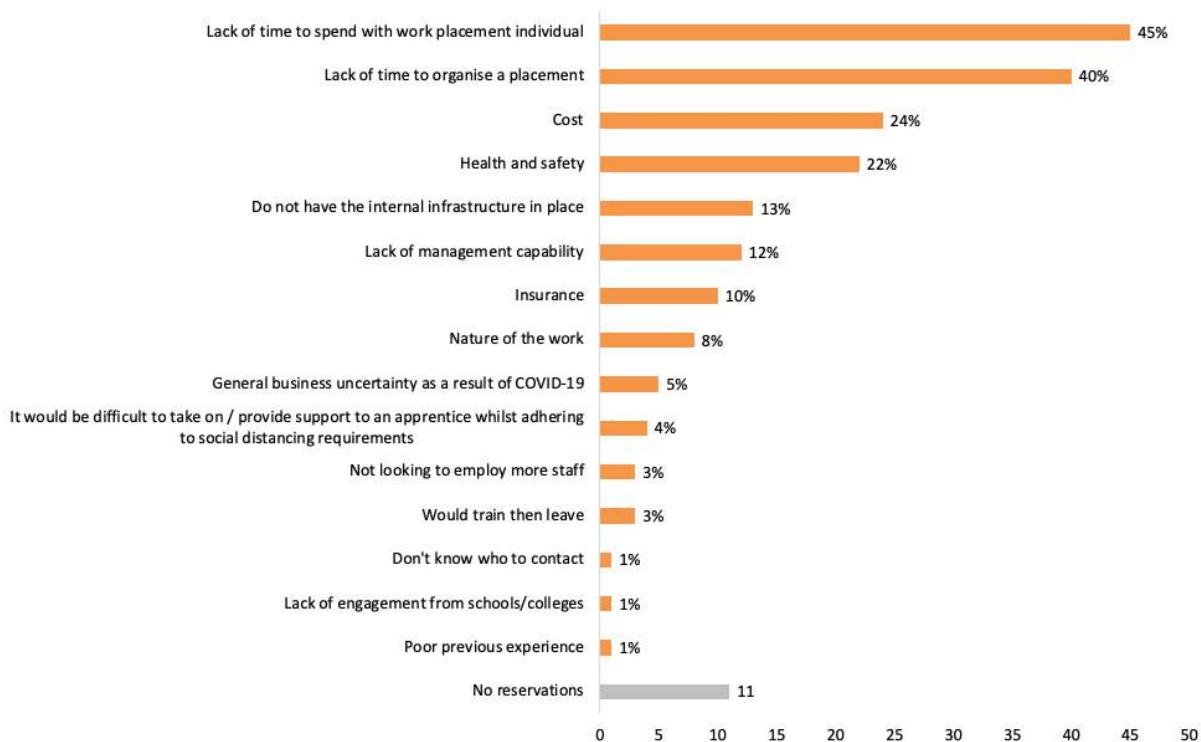
Time looks to be the biggest barrier for employers offering a work placement. Stakeholders felt that whilst they understood the value of work placements to employers and to individuals, employers themselves are not as interested as they should be. Stakeholders said that time was the biggest barrier for most organisations in offering work placements, and this was said to be of even greater concern to small businesses.

Stakeholders also identified other key barriers hindering more work experience placements:

- **Poor coordination locally and nationally of work experience programmes** – stakeholders felt there lacked a clear strategy and coordination which prevents employers knowing where to go for advice when considering offering work experience placements and support on how to make it happen.

- **Employers perceive work placements to be burdensome in terms of compliance** – stakeholders reflected on conversations that they had had with organisations where employers were concerned about regulations and compliance issues that are associated with offering a work experience placement.

- **Generally low engagement between employers and schools / universities –** stakeholders commented that whilst some employers engage with relevant educational institutions very well, on the whole there is a lack of engagement in Hertfordshire.

In light of Covid-19, stakeholders felt that employers would consider it even more challenging to offer work experience placements due to:

- Employees working from home and not knowing how a work placement student could be supported / managed in this situation

- The impracticalities of having more individuals within the workplace.

- Financial uncertainty, and this putting increasing pressure on the business to focus on sales and the survival of the business.

7.3.   Interest in future support

Respondents in Hertfordshire were provided with a list of potential support to assist with offering work placements, and were asked if they would find any useful. Almost of half of employers felt that a service that matched candidates with businesses would be useful, and almost one quarter of employers said that they would find general information about how a business can benefit from work experience students useful.

Figure 17: Employer interest in support in Hertfordshire (N=47,273, n=57)
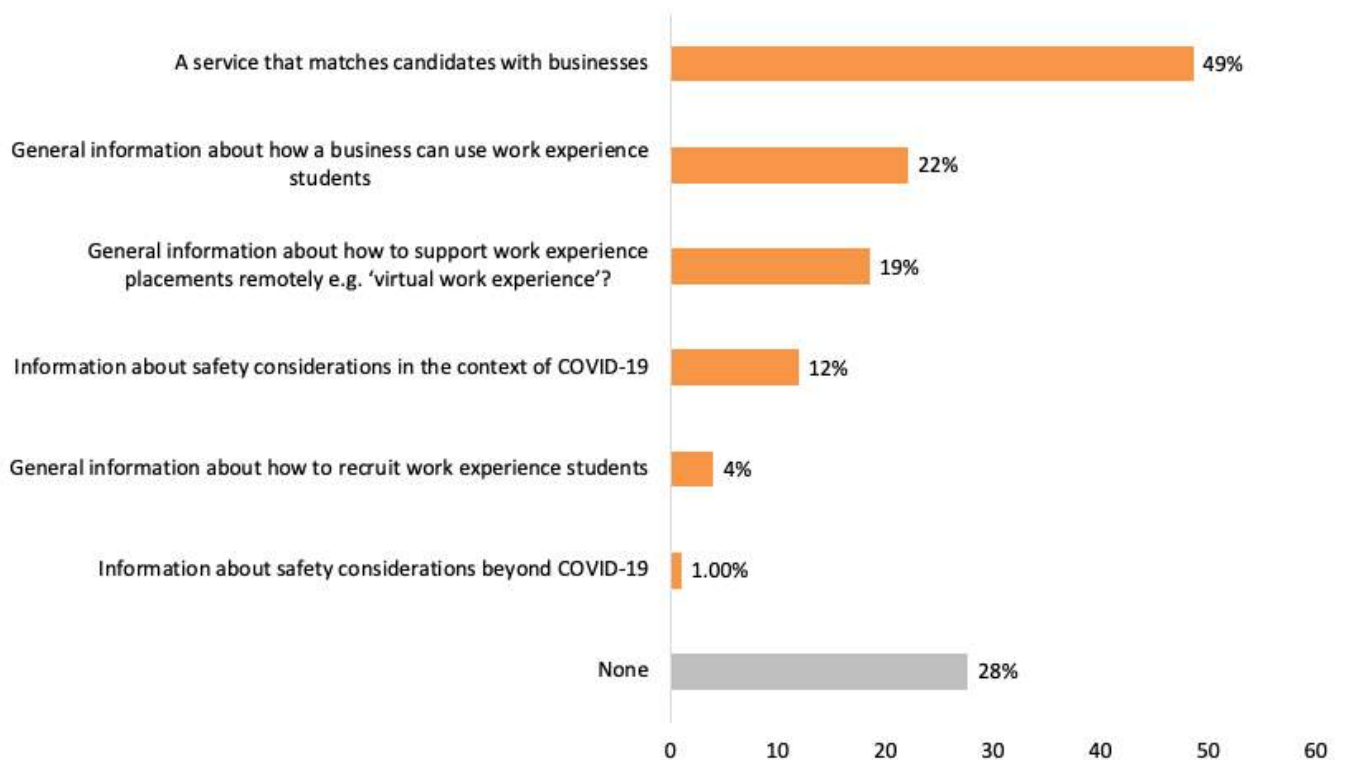
# 8. Employer views on new technologies for training

This section covers employer attitudes to the use of new technologies to meet skills needs.

A majority of employers report that their employees are already engaging in training via webinars and video, though other technologies – e.g. mobile learning, podcasts and gamification - are being used less frequently. Most employers say they would be willing to invest in training for their staff that use these technologies. Approximately half of employers said they had reservations about new technologies used for training including the user experience, online training not being suitable for the 'practical' nature of their work, and a preference of their employees for face to face training.

## 8.1. Engagement in training via new technologies

All respondents were prompted with a range of technologies and asked to select any that their employees currently use for either internal or external training. Responses are shown below.

Figure 18 Employee engagement in training via different technologies
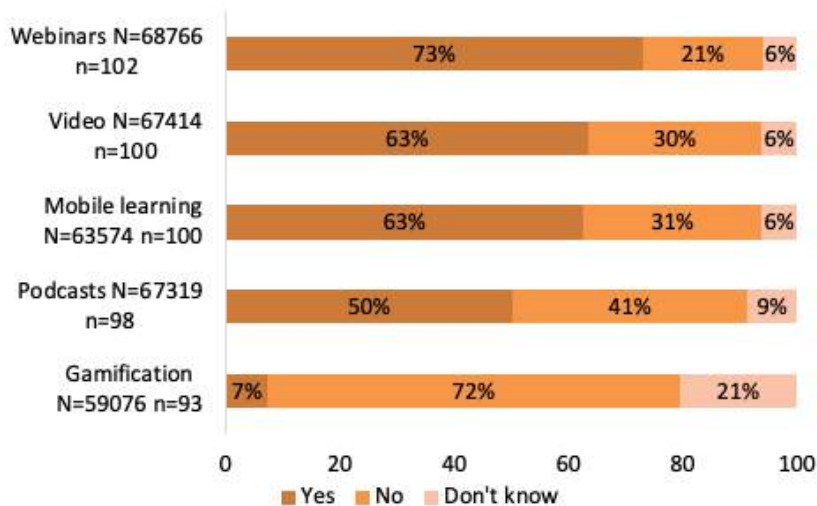
Respondents were then asked if they would consider investing in training for their employees that use each technology.

Figure 19: Employer interest in investing in training for employees via different technologies
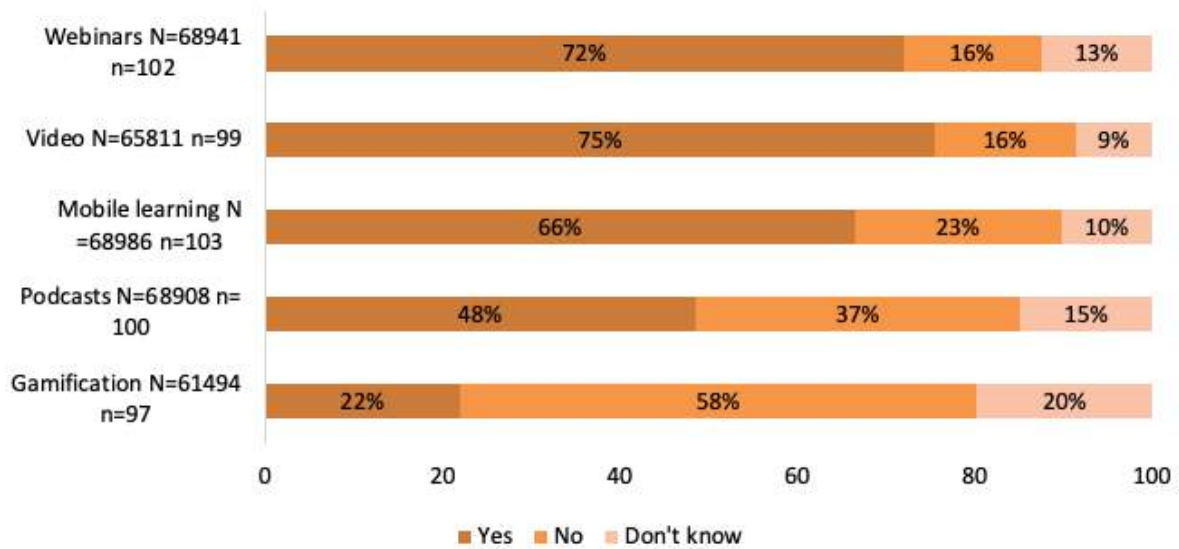
Those already using technologies in training tended to be those that would do so in the future, and vice versa. The exception is gamification, where currently only 7% of employers say they their employees are already engaging in training that uses this technology, whilst 22% would consider it in the future.

8.2.   Reservations about new technologies

Respondents were asked if they had any reservations about training using one or more of the prompted technologies. Out of the whole sample, 54% of employers said that they did have reservations. Analysis of their responses identifies the following themes:

- Respondents not knowing enough about the technologies, particularly regarding the user experience, the processes involved, and the typical return on investment.

- A perception that online training isn't suitable for the type of work that they do, in particular for practical tasks, with one respondent specifically commenting *"There are certain things that they would just need to learn on the job by actually doing the work."*

- Employers receiving feedback from their employees that suggest they prefer training delivered face to face.

Respondents were then asked whether their organisation would be willing to invest in relevant software, technology or adaptations to support a new employee with a learning disability or special educational needs e.g. providing voice recognition software to support an employee with dyslexia. One third (33%) of respondents from the whole sample said 'yes,' almost one quarter (23%) said no and 44% were not sure.

Respondents were then asked whether they knew where to access support, advice / guidance, and funding to help them to recruit and upskill employees that have a learning disability or special educational needs. 38% knew where to go to access support, advice and guidance; 24% said they knew where to go to access funding.

Hertfordshire employers

The table below summarises the percentage of Hertfordshire respondents that said their staff already use specific technologies in training that they undertake and employer willingness for their staff to engage in training using specific technologies in the future.

Table 2: Hertfordshire employer use of technology for training and willingness to use in training (n=47,272, n=57)

	Currently use technology in training	Would consider using technology in training
Webinars	69%	74%
Video	54%	74%
Mobile	47%	65%
Podcasts	36%	40%
Gamification	9%	13%

The proportion of Hertfordshire employers saying that they currently use technology in training is lower than the proportion in the whole sample. In particular, where 63% of the whole sample said they use mobile technology in training, just 47% of Hertfordshire employers said they do. Similarly, 48% of the whole sample said they use podcasts in training, whereas 36% of Hertfordshire employers said that they do.

The proportion of Hertfordshire employers that said that they would consider investing in training for their staff that uses using webinars, video or mobile technologies is similar to that of the whole population. Slightly lower proportions of employers in Hertfordshire said they would invest in training that use podcasts and / or gamification, compared to the whole sample.

9. Stakeholder views on how Serco can help

This section summarises the views of stakeholders in Hertfordshire regarding how Serco can best support employers to ensure they have the right skills to succeed. The following themes were identified from stakeholder responses.

Help people get back into work

Provide CV writing and interview skills support for individuals who are out of work and help individuals understand their transferable skills

Provide funding for specialist training

Whilst there are good training options out there for specialist sectors such as the life sciences, cost can be a barrier.

Increase digital skills

Increase digital skills across sectors and job roles, from basic IT skills to advanced programming skills.

Increase awareness of what is on offer

Make it easier for employers to be aware of and understand what is available locally to up-skill employees e.g. training providers, types of training on offer and available support.

Offer a range of training options

Some stakeholders felt bite size courses could be as valuable as more formal qualifications and are easier for employers / individuals to undertake and pay for.

Work with existing networks

Work with existing networks in Hertfordshire, for example the Growth Hub, to ensure that there is a coordinated approach to engaging with employers.

Future skills

Begin to help employers understand what the future skills needs are, preferably at a sector level, so they can prepare accordingly.

10. Conclusions

Overall, a significant proportion of employers in Hertfordshire acknowledged that they had skills gaps, and a large majority of these said they plan to take action to upskill their staff, in the next twelve months. Encouragingly, many of these said they are willing to engage with external training providers.

Furthermore, there is likely to be a growing number of individuals who find themselves out of work due to Covid-19 who will also need support, such as CV writing and interview skills as well as help to understand their transferable skills.

The research has also highlighted some challenges for support / skills organisations to consider when engaging with employers regarding skills:

- Employers not seeing skills as a priority in the context of uncertainty caused by Covid-19.

- Work required to increase the awareness and understanding of apprenticeships; in particular regarding the full range of sectors that they can be used for and their value compared to other qualifications / education routes.

- The need for a central source of advice and guidance about work placements, that would ideally match employers and potential candidates.

Below are the conclusions that can be drawn from the research on each of the research objectives.

1. **Identify skills gaps that are preventing business growth and an increase in business productivity.**

The research shows that skills gaps were evident in Hertfordshire, and employers believed these were impacting upon their business growth and productivity. In particular, employers reported that the skills gaps that had the biggest impact on their organisational performance were numeracy, planning and organisational skills, knowledge of English and digital skills.

Furthermore, stakeholders emphasised that Covid-19 had accelerated the need for many employers across all sectors to upskill in leadership and management, digital and sales and marketing, if they are to survive and thrive.

2. **Clarify employer skills demand for the region's key sectors and identify other priority skills required to influence how / where efforts and resources are focused to increase skills training uptake.**

Hertfordshire LEP has five priority sectors; advanced engineering, life sciences, the built environment, IT and creative, incorporating film and media. Unfortunately, employer responses from individual sectors were low and therefore it was not possible to robustly assess skills priorities in specific sectors. However, examining priority sector responses, it appears they responded in a similar way to the sample overall, reporting gaps in leadership and management skills, technical / practical skills, sales and marketing and / or planning and organisational skills.

In addition to the priority sectors, stakeholders felt that Hertfordshire will require an increase in the number of people working in, and a general level of upskilling, in the following sectors; health and social care, construction, the green economy and professional services.

3. Determine employer interest in apprenticeships

The research has shown that there was an interest amongst half of employers to take on an apprentice in the future. Whilst employer interest was evident, there are reservations to overcome, namely; helping employers to find suitable candidates and / or addressing employer concerns, sometimes based upon a poor previous experience of employing an apprentice. Stakeholders felt there should be more education around the value of apprenticeships (in particular compared to other educational routes), and the range of sectors in which apprenticeships can now be delivered.

4. Explore the willingness of employers to support experimentation and early adoptions in the use of new technologies for future skills needs.

The majority of employers said they would be willing to invest in staff training that use technologies such as webinars, video and mobile learning, and a large proportion of these said that their staff have already engaged in such training. Despite the high levels of willingness to invest, some employers reported reservations, particularly around how the user experience compares to traditional face to face training (e.g. accessibility, how interactive the session is, the ability for delegates to communicate with the presenter / other attendees) and whether online mechanisms are suitable for more practical types of work e.g. engineering, construction etc.

5. Explore employers' desire for their employees to undertake higher qualifications.

Relatively low proportions of employers reported requiring staff to have a higher level qualification, or that they would be likely to support employees to undertake a higher qualification (whether financially or by allowing the employee to study during working hours). Stakeholders felt that the cost of higher qualifications was a significant barrier to employers and / or individuals investing in this type of training, and felt that there should be more funding available to support the cost. Stakeholders also acknowledged that in some cases short courses are as valuable as higher qualifications, and are more practical and affordable for employers.

Appendix A: Respondent profile

The purpose of this section 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. This section presents unweighted data, describing the profile of the 126 respondents that completed the survey (either in full or partially).

Table 3: Respondent profile by geographic area

Geographic area	Number of respondent organisations	Percentage of respondents (n=126)
Hertfordshire	57	45
South East Midlands	23	18
Northamptonshire	46	37
Total	**126**	**100%**

Table 4: Respondent profile by number of employees[15]

	Whole sample		Hertfordshire	
Number of employees	Number of respondent organisations	Percentage of respondents (n=126)	Number of respondent organisations	Percentage of respondents (n=57)
None	10	8	3	5%
1-4	19	15	12	21%
5-9	13	10	7	12%
10-24	24	19	13	23%
25-49	9	7	2	4%
Total 0-49 (micro and small)	**75**	**60**	**37**	**65%**
50-99	18	14	6	11%
100-249	14	11	5	9%
250+	18	14	8	14%
Didn't know	1	1	1	1%
Total	**126**	**100%**	**57**	**100%**

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[15] Respondents were asked how many individuals their organisation employed, selecting from the size bands shown in the table.

Table 5: Respondent by broad sector

Sector	Whole sample		Hertfordshire	
	Number of respondent organisations	Percentage of respondents	Number of respondent organisations	Percentage of respondents
Private	91	72	40	70%
Third	14	11	8	14%
Public	21	17	9	16%
Total	**126**	**100%**	**57**	**100%**

Table 6: Respondent profile by industrial sector[16]

Sector	Whole sample		Hertfordshire	
	Number of respondent organisations	Percentage of respondents	Number of respondent organisations	Percentage of respondents
Agriculture, forestry and fishing	3	2%	2	4%
Manufacturing	15	12%	7	12%
Electricity, gas, steam and air conditioning supply	0	0%	0	0%
Water supply, sewerage, waste management and remediation activities	2	2%	1	2%
Construction	22	18%	8	14%
Wholesale and retail trade, repair of motor vehicles and motorcycles	7	6%	2	4%
Transport and storge	7	6%	0	0%
Accommodation and food services	3	2%	2	4%

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

Information and communication	5	4%	4	7%
Finance and insurance	3	2%	2	4%
Real estate	1	1%	1	2%
Professional, scientific and technical activities	15	12%	6	11%
Administration and support services	8	6%	6	11%
Public administration and defense	7	6%	2	4%
Education	11	9%	5	9%
Human health and social work	10	8%	5	9%
Arts, entertainment, recreation and other services	7	6%	4	7%
Total	**126**	**100%**	**57**	**100%**

Table 7 Timing of response

	Whole sample		Hertfordshire	
Time of response	Number of respondent organisations	Percentage of respondents	Number of respondent organisations	Percentage of respondents
Pre-lockdown (Prior to March 16th 2020)	19	15%	10	17%
During and post-lockdown (Completed on or after 16th March 2020)	107	85%	47	82%
Total	**126**	**100%**	**57**	**100%**

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