

Futureskills Scotland

Creative & Cultural Skills (Creative and Cultural Industries) Scottish Sector Profile 2007



Highlands and Islands Enterprise
Iomairt na Gaidhealtachd 's nan Eilean



Scottish Enterprise

CONTENTS

FURTHER INFORMATION	3
SUMMARY OF FINDINGS	4
DEFINITION OF THE INDUSTRY	4
SECTOR CHARACTERISTICS	5
RECRUITMENT (VACANCIES, HARD-TO-FILL VACANCIES AND SKILL SHORTAGES)	7
WORKPLACE DEVELOPMENT (SKILL GAPS AND TRAINING)	8
DATA QUALITY	13

FURTHER INFORMATION

This profile is part of a series of sector profiles for Scotland. It has been produced jointly with Creative & Cultural Skills, using all available data sources. The principal data source is the Scottish Employers Skill Survey 2006. More information about this survey, and the full results, can be found in "Skills in Scotland 2006". This report is available on the Futureskills Scotland website. Other data in this profile has been taken from official sources; all sources are footnoted.

ABOUT FUTURESILLS SCOTLAND

Futureskills Scotland is part of Scottish Enterprise and Highlands and Islands Enterprise. We aim to:

- analyse the Scottish labour market to inform policy making in Scotland and further afield;
- improve the availability, quality and consistency of labour market information and intelligence across Scotland; and
- work closely with Careers Scotland to provide the organisation and its clients with labour market information.

Futureskills Scotland and the Skills for Business Network have recently drawn up a concordat. This sets out their respective roles and responsibilities in providing sectoral labour market intelligence for Scottish stakeholders:

- high level contextual work regarding the Scottish labour market is the responsibility of Futureskills Scotland; and
- detailed sectoral research is the responsibility of the Skills for Business Network.

The concordat sets out that labour market information and intelligence should be:

- **robust and comparable;**
- **up-to-date and timely;**
- **objective; and**
- **free at point of use.**

The concordat will be reviewed annually to ensure it remains relevant to the needs of Scottish stakeholders.

To view the concordat or access any Futureskills Scotland material, please visit:

www.futureskillscotland.org.uk

SUMMARY OF FINDINGS

The Creative & Cultural Skills sector is characterised by:

- significant levels of self-employment;
- more smaller workplaces; and
- below average wages.

In terms of recruitment, Creative & Cultural Skills sector employers report:

- low levels of recruitment activity in the last 2 to 3 years;
- a low hard-to-fill vacancy rate; and
- where hard-to-fill vacancies exist, most are due to skill shortages.

In terms of workforce development, Creative & Cultural Skills sector employers:

- report above average levels of staff proficiency;
- report weaknesses in both “soft” skills and technical and practical skills, where skill gaps exist;
- are less likely to provide training.

DEFINITION OF THE INDUSTRY

The Creative & Cultural Skills sector is defined as covering the following Standard Industrial Classification (SIC) codes:

SIC Code	Description
2214	Publishing of sound recordings
2231	Reproduction of sound recording
3622	Manufacture of jewellery and related articles not elsewhere classified
366	Miscellaneous manufacturing not elsewhere classified
744	Advertising
9231	Artistic and literary creation and interpretation
9232	Operation of arts facilities
9234	Other entertainment activities not elsewhere classified
924	News agency activities
9252	Museum activities and preservation of historical sites and buildings

These codes were provided by the Sector Skills Development Agency in May 2006, and were the most up-to-date definition of the sector at that time.

Creative and Cultural Skills is responsible for a range of industries that are defined by SIC codes. These SIC codes have been agreed with the SSSA, thereby ensuring that no overlap exists with any other SSCs. Since the establishment of Creative & Cultural Skills, close relationships with industry have been developed. Through consultation and joint-working, it has emerged that there are other activities that lie outside these core definitions which are deemed to be fundamental to the sector. If excluded, Creative & Cultural Skills believes that essential parts of their sectors will be missed. For this reason, a supplementary list of activities has been drawn up. Creative & Cultural Skills views the identification and inclusion of these activities as crucial progress in defining its sector. It allows more relevant information and research to be produced, and better policy to be developed. It also means that Creative & Cultural Skills can better represent the needs of the industry. This sits slightly outside of the SSSA's understanding of the nature of the sectors, but also serves to indicate the complexity of the sectors covered by Creative & Cultural Skills and the work that they are engaged in.

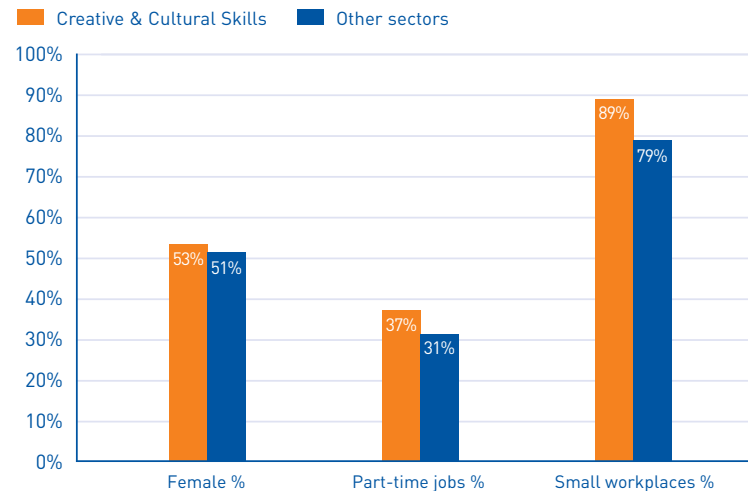
In this respect data produced by Creative & Cultural Skills will differ from that presented above. Our data presents an accurate representation of the creative and cultural industries, which is both relevant and robust. Please visit www.ccskills.org.uk for more information.

SECTOR CHARACTERISTICS

- 1 There are around 2,200 Creative & Cultural Skills sector workplaces in Scotland, employing 15,800 people - about 1 per cent of all Scottish jobs¹. With an additional 11,000 people estimated to be self-employed in the sector².
- 2 In comparison with the average across other sectors in Scotland, Creative & Cultural Skills sector workplaces are characterised by (Figure 1):
 - a similar proportion of female employees;
 - slightly more part-time jobs; and
 - a greater proportion of smaller workplaces.

FIGURE 1
Characteristics of the sector

Source: ABI 2005

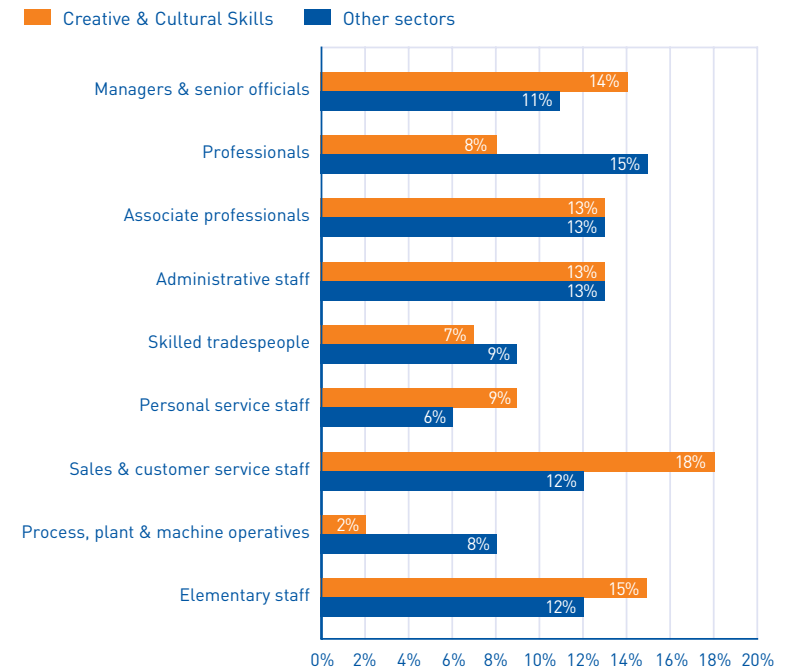


¹ Annual Business Inquiry 2005, Office for National Statistics
² Annual Population Survey 2005, Office for National Statistics

- 3 The Creative & Cultural Skills sector has a different pattern of jobs from the rest of the economy (Figure 2). There are fewer professionals and process, plant and machine operatives.

FIGURE 2
Distribution of employees by occupation

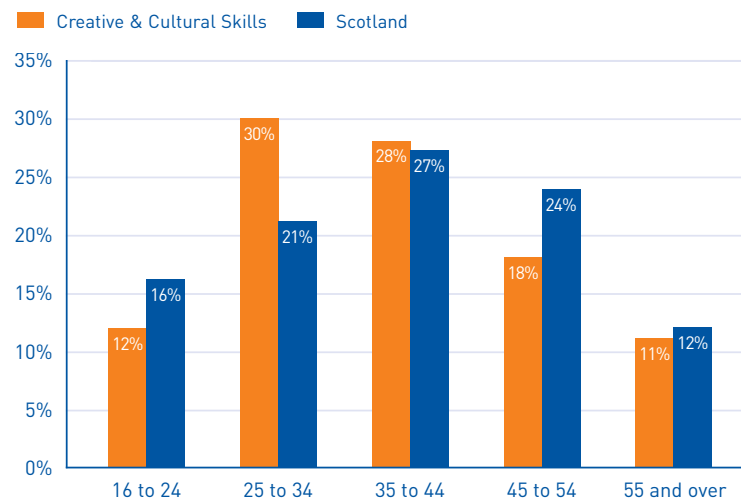
Source: SESS 2006



- 4 Half of the people in employment in the Creative & Cultural Skills sector are aged below 37³ and half are aged above 37. This is similar to the equivalent figure for all industries in Scotland - 36 years of age. The age profile of all people in employment in the Creative & Cultural Skills sector is shown in **Figure 3**.
- 5 The average weekly full-time wage for employees in the Creative & Cultural Skills sector is £420⁴. This is 3 per cent lower than the average across Scotland (£432).

FIGURE 3
Age profile of people in employment

Source: APS 2005



³ Annual Population Survey 2005, Office for National Statistics

⁴ Annual Survey of Hours and Earnings 2006, Office for National Statistics

- 6 It is important to set employers' responses to skills-related questions in a wider context. Employers were asked to identify the main challenges they anticipated facing over the next 12 months (**Figure 4**). The challenge mentioned most often by Creative & Cultural Skills sector employers was attracting new customers. Employers in other sectors most frequently mentioned business regulations, which were cited by 17 per cent of employers.

FIGURE 4
Main challenges anticipated by employers over the next 12 months

Source: SESS 2006

	Creative & Cultural Skills	Other sectors
Attracting new customers	35%	9%
Cash flow	25%	6%
Diversifying/expanding business activities	12%	5%
Training of staff/Staff retention/Staff issues	12%	4%
Securing funding from external sources	10%	8%
Cost of expanding or obtaining new facilities	9%	9%

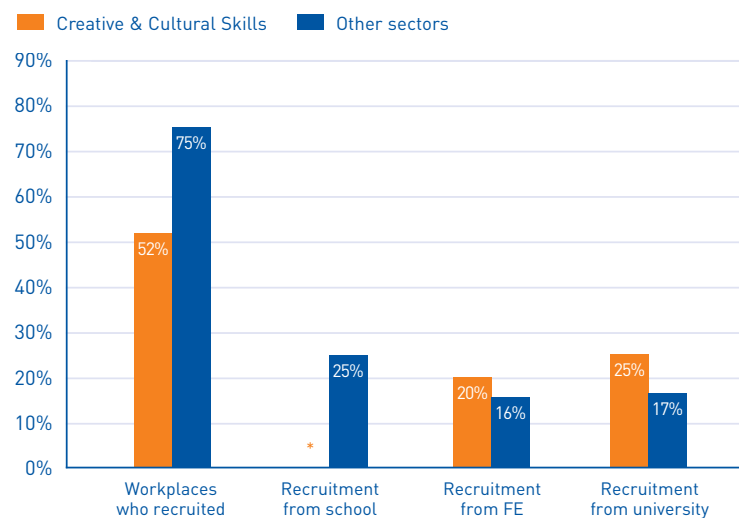
Note: Attracting appropriately skilled staff was the 19th ranked challenge, cited by 1 per cent of Creative & Cultural Skills sector employers.

RECRUITMENT (VACANCIES, HARD-TO-FILL VACANCIES AND SKILL SHORTAGES)

7 A lower proportion of employers in the Creative & Cultural Skills sector had recruited in the previous two to three years compared with employers in other sectors (Figure 5). Of those employers who had recruited, those in the Creative & Cultural Skills sector were equally likely to have recruited a person into their first job since leaving college or university.

FIGURE 5
Recruitment activity

Source: SESS 2006



* This figure is not shown as it was found not to be robust. Please refer to the Data Quality section at the end of the profile for more information.

8 Labour turnover⁵ in all industries is 22 per cent. The information for the Creative & Cultural Skills sector is not given as the figure was found not to be robust.

9 A skill shortage vacancy is a specific type of hard-to-fill vacancy that occurs when an employer cannot find applicants with the skills, qualifications or experience to do the job. Skill shortages in Scotland are uncommon affecting around one in 12 workplaces. Where skill shortages and other hard-to-fill vacancies occur they can have potentially severe consequences for employers. Compared with other sectors, the Creative & Cultural Skills sector is characterised by (Figure 6):

- a low hard-to-fill vacancy rate i.e. total hard-to-fill vacancies are expressed as a proportion of employees; and
- where they do exit, hard-to-fill vacancies occur mainly for skill shortage reasons.

FIGURE 6
Vacancy, hard-to-fill vacancy and skill shortage vacancy rates

Source: SESS 2006

	Creative & Cultural Skills	Other sectors
Vacancies as a % of employees	2%	4%
Hard-to-fill vacancies as a % of employees	<1%	2%
Hard-to-fill vacancies as a % of all vacancies	*	44%
Skill shortages as a % of hard-to-fill vacancies	86%	60%

* This figure is not shown as it was found not to be robust. Please refer to the Data Quality section at the end of the profile for more information.

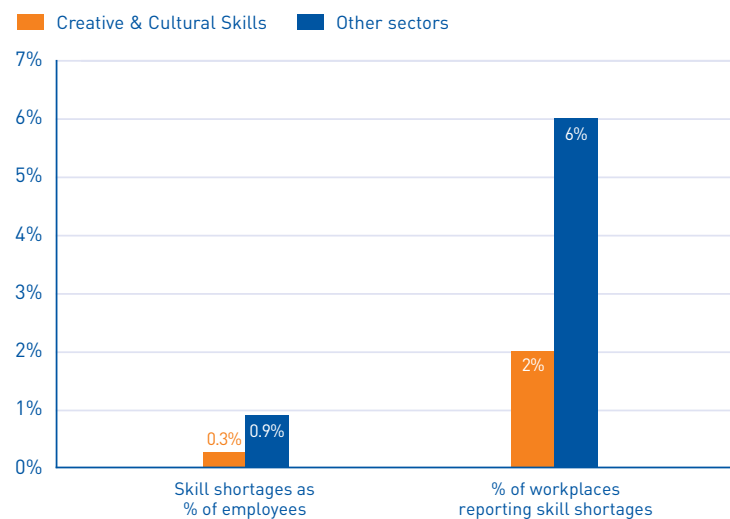
⁵ Labour turnover is a measure of “churn” in the workforce. For a formal definition of turnover, see page 20 in the “Labour Market Glossary” on the Futureskills Scotland website at: www.futureskillscotland.org.uk

In addition, compared with other sectors, skill shortages in the Creative & Cultural Skills sector (Figure 7):

- represent a lower proportion of employee jobs; and
- affect a lower proportion of workplaces.

FIGURE 7
Skill shortages

Source: SESS 2006

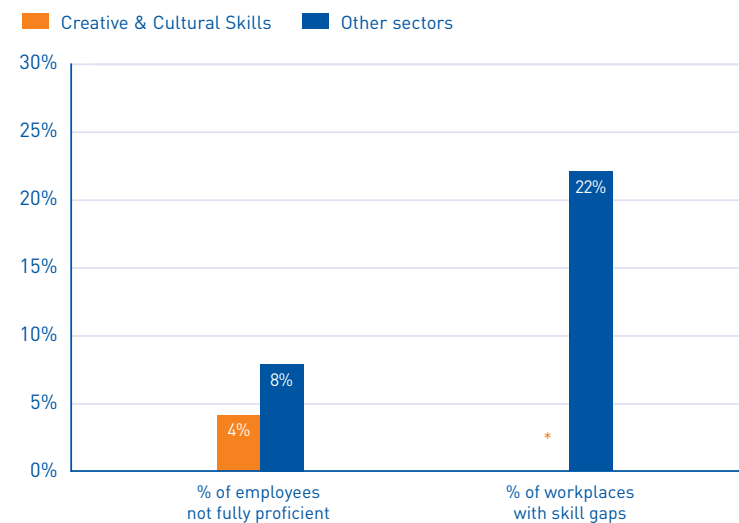


WORKFORCE DEVELOPMENT (SKILL GAPS AND TRAINING)

10 A skill gap exists when an employer thinks a worker doesn't have enough skills to perform their job with full proficiency. Skill gaps are more common than skill shortages, affecting around one in five Scottish workplaces. Compared with other sectors, skill gaps in the Creative & Cultural Skills sector affect a lower proportion of employees (Figure 8).

FIGURE 8
Skill gaps

Source: SESS 2006



* This figure is not shown as it was found not to be robust. Please refer to the Data Quality section at the end of the profile for more information.

11 Where skill gaps arise, Creative & Cultural Skills sector employers most frequently cite weaknesses in customer handling skills and other technical and practical skills (Figure 9). In addition, nearly two thirds of all Creative & Cultural Skills sector employers at workplaces with skill gaps mentioned:

- **problem solving skills; and**
- **oral communication skills.**

FIGURE 9
Skills lacking in employees with skill gaps

Source: SESS 2006

	Creative & Cultural Skills	Other sectors
Customer handling skills	79%	55%
Other technical and practical skills	72%	46%
Problem solving skills	63%	54%
Oral communication skills	61%	42%
Team working skills	39%	49%
Planning and organising	31%	55%

12 Across the economy as a whole, the majority of employers report that skill gaps cause them either no problems (cited by 33 per cent of employers with skill gaps) or only minor problems (50 per cent). For those Creative & Cultural Skills employers who reported that skill gaps had either a major or minor impact on their business, around one quarter mentioned difficulties meeting required quality standards (Figure 10).

FIGURE 10
Impact of skill gaps

Source: SESS 2006

	Creative & Cultural Skills	Other sectors
Difficulties meeting required quality standards	23%	36%
Difficulties meeting customer service objectives	17%	39%
Difficulties introducing new working practices	15%	24%
Loss of business or orders to competitors	12%	20%
Delays developing new products or services	11%	20%
Increased operating/running costs	6%	28%

13 Where employers do take action to overcome skill gaps, providing further training is the main response by employers in both the Creative & Cultural Skills sector and other sectors (Figure 11).

FIGURE 11
Responses to skill gaps by employers

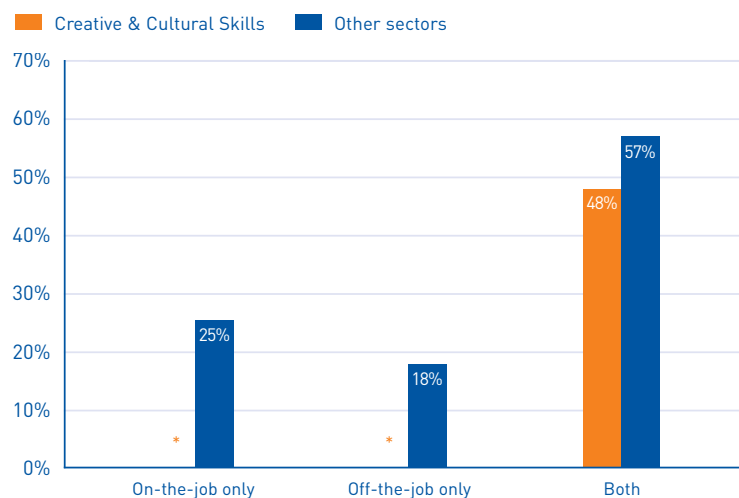
Source: SESS 2006

	Creative & Cultural Skills	Other sectors
Provided further training	87%	80%
Increased/expanded trainee programmes	31%	51%
Changed working practices	18%	43%
Relocated work within the company	16%	20%
Increased recruitment	14%	18%
Expanded recruitment channels	10%	14%

- 14 Creative & Cultural Skills sector employers are less likely to have funded or arranged training for their staff than employers in other sectors (34 per cent compared with 66 per cent respectively).
- 15 For those employers who had funded or arranged training, similar proportion of those in the Creative & Cultural Skills sector and other sectors reported they had provided a mixture of both on and off-the-job training only (Figure 12).

FIGURE 12
Type of training provided

Source: SESS 2006



* These figures are not shown as they were found not to be robust. Please refer to the Data Quality section at the end of the profile for more information.

- 16 Considering off-the-job training only, a lower proportion of Creative & Cultural Skills sector employees received off-the-job training in the last 12 months compared to employees in other sectors - 30 per cent compared with 42 per cent.
- 17 The most common types of off-the-job training provided by employers in all sectors were job specific and health and safety/ first aid (Figure 13).

FIGURE 13
Types of off-the-job training

Source: SESS 2006

	Creative & Cultural Skills	Other sectors
Job specific training	90%	85%
Health & safety/First Aid training	77%	75%
Induction training	70%	53%
Training in new technology	47%	53%
Management training	33%	41%
Supervisory training	30%	35%

18 Employers in the Creative & Cultural Skills sector who had provided or arranged off-the-job training were most likely to use a private training provider or consultant to provide that training. This is the same as employers in other sectors (Figure 14).

FIGURE 14
Providers of off-the-job training

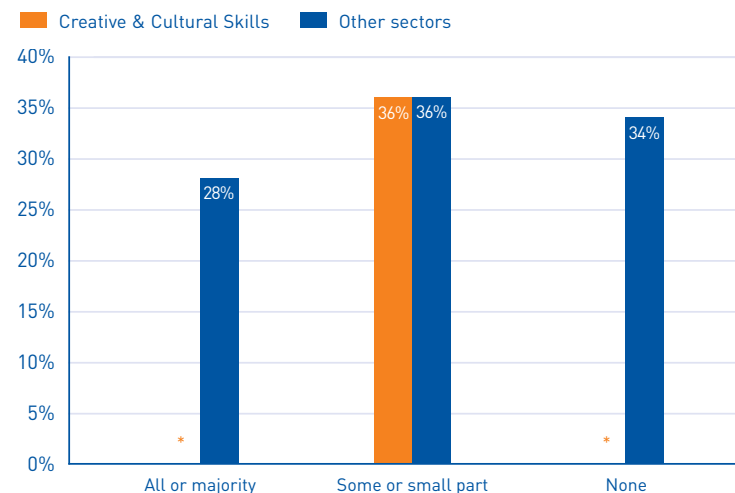
Source: SESS 2006

	Creative & Cultural Skills	Other sectors
Private training providers/external consultants	76%	61%
Staff at this site	52%	46%
Industry body/professional association	44%	33%
Training centre owned by the organisation	33%	38%
Voluntary sector training providers	21%	14%
FE college	16%	27%
HE university	15%	10%

19 Employers were asked to what extent they trained (including both on and off-the-job) to satisfy statutory or legal requirements. Creative & Cultural Skills sector employers were equally likely to say that some or a small part of their training was to satisfy statutory or legal requirements compared to employers in other sectors (Figure 15).

FIGURE 15
Extent training met statutory/legal requirements

Source: SESS 2006

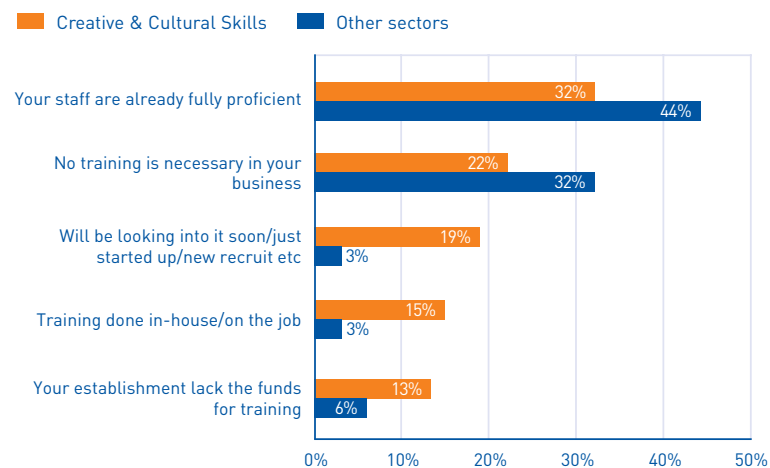


* These figures are not shown as they were found not to be robust. Please refer to the Data Quality section at the end of the profile for more information.

20 For those Creative & Cultural Skills sector employers that had not funded or arranged any training over the past 12 months, the main reasons for not doing so were that staff were thought to already be fully proficient and training was not considered necessary in the business (Figure 16). This is similar to employers in other sectors.

FIGURE 16
Reasons for no training

Source: SESS 2006



21 Compared with other sectors, Creative & Cultural Skills sector workplaces are less likely to participate in Training for Work and Modern Apprenticeship training schemes (Figure 17).

FIGURE 17
Participation in Government-funded training schemes

Source: SESS 2006

	Creative & Cultural Skills	Other sectors
Training for Work	1%	5%
Modern Apprenticeships	1%	8%
Skillseekers	*	8%
New Deal	3%	6%

* This figure is not shown as it was found not to be robust. Please refer to the Data Quality section at the end of the profile for more information.

DATA QUALITY

The Scottish Employers Skill Survey is the largest survey of its kind in Scotland. It was originally devised to provide robust results on employers' views on skills, training and recruitment for Scotland as a whole.

Since the initial Employers Skill Survey in 2002, demand has arisen for disaggregated analysis in terms of workplace size, geography and sector. In 2006, the survey was designed to ensure results delivered were as robust as possible across size, geography and sector.

However, the Sector Skills Councils' (SSCs') footprints in Scotland cover a broad range. There is significant variation in terms of the number of employers and number of employees covered by different SSCs. Under these circumstances, it is important to ensure that results presented for SSCs are robust, as well as comparable.

To ensure that the results produced are both robust and comparable, a quality assurance exercise was undertaken by Futureskills Scotland, based on national statistical standards. Results from the 2006 Scottish Employers Skill Survey for all SSC footprints were reviewed.

The purpose of this review was:

- to identify specific SSCs for which there were insufficiently robust results across most of the main indicators - for these SSCs no sector profile can be produced⁶; and
- to identify where robust results can be presented for most of the main indicators - for these SSCs a profile was produced. Where there is a main indicator for which robust results cannot be presented, results across all industries were presented instead.

This process ensures that:

- comparable, robust profiles are produced for as many SSCs as possible; and
- all indicators quoted within a specific SSC profile are robust.

The Sector Skills Councils are the authoritative source of sectoral labour market information. Contact details for this Sector Skills Council are given below.

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Further information about Creative & Cultural Skills and the creative and cultural industries can be found at:

www.ccskills.org.uk

⁶ Government Skills, Skills for Justice and Energy and Utility Skills

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