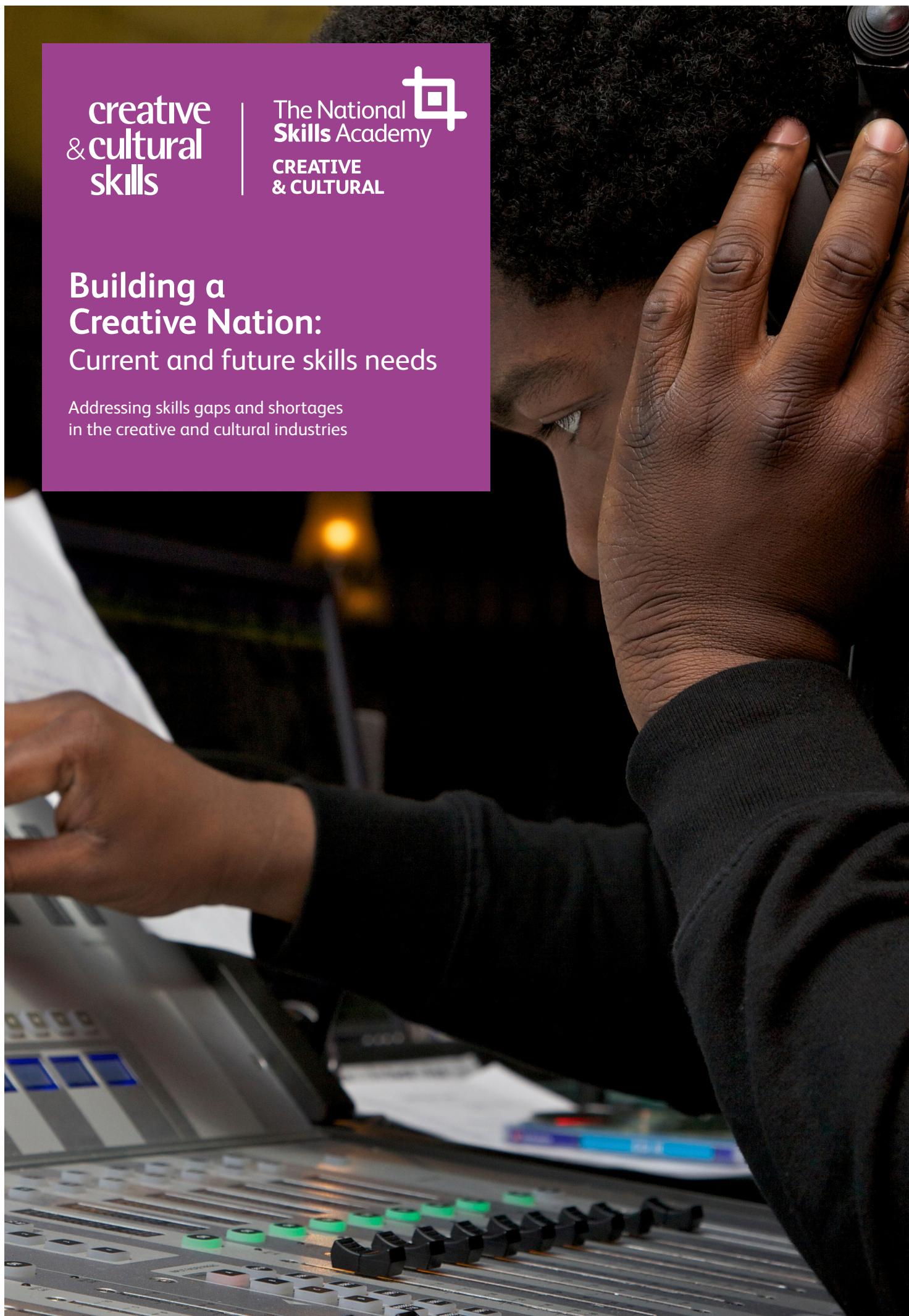# creative & cultural skills | The National Skills Academy
CREATIVE & CULTURAL

Building a Creative Nation:
Current and future skills needs

Addressing skills gaps and shortages
in the creative and cultural industries

Contents

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Introduction

The creative and cultural industries are one of the mainsprings of the British economy with levels of growth for 2016 more than twice the average for the economy as a whole. Skills are key to sustaining this growth, and addressing current gaps and shortages is a priority to ensure the sector continues to thrive.

Despite its strong position in the economy, the creative and cultural sector[1] is facing a number of skills challenges, which could threaten its continued growth and prosperity.

Between May and December 2017, CFE Research, on behalf of Creative & Cultural Skills and Arts Council England (ACE), undertook a large-scale survey of creative and cultural businesses to assess skills gaps (a lack of proficiency of the existing workforce) and shortages (a lack of suitable applicants with the required skills, qualifications and / or experience). Although leadership and management skills provided a particular focus, the prevalence of existing and likely future skills gaps and shortages across all occupations and sub-sectors was explored, along with the implications for the sustainability and growth of businesses and the sector as a whole.

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[1] In the context of this skills assessment, the creative and cultural sector is defined as businesses in the ACE footprint which encompasses Music, Dance, Theatre, Literature, Visual and Combined Arts, Contemporary Craft, Circus and Carnival arts, and Galleries, Museums and Libraries. The term 'businesses' includes sole traders.

The Skills Challenge

There has been significant growth in terms of Gross Value Added and employment in the creative and cultural industries in recent years which has far outstripped rates in the UK economy as a whole. Identifying and addressing skills needs in order to sustain this growth is a key priority. Evidence suggests that rapid advancements in digital technologies are breaking down barriers between creative and cultural businesses and consumers. A digitally-literate workforce is, therefore, needed to capitalise on the opportunities this presents, but there are obstacles to achieving this.

The evidence suggests that the creative and cultural sector has been slow to adapt to globalisation and advancements in technology. There is a lack of digital capacity in both the leadership of and processes within the sector, at a time when demand for digital skills, as well as marketing and communication, and financial skills, is increasing. This is leading to a gradual intensification of skills gaps which could inhibit growth.

Increased demand for key skills across all sectors has resulted in greater competition for a limited pool of skilled workers. The creative and cultural sector is characterised by low levels of pay and, as a result, often finds it more difficult to attract staff. Difficulties recruiting certain skills to the sector in a competitive market, coupled with a lack of workforce training and continuous professional development, exacerbate existing skills gaps and shortages. The development of leadership and management skills has been identified as an ongoing issue, particularly the ability of leaders to adapt to new technology and develop their operating models and approaches.
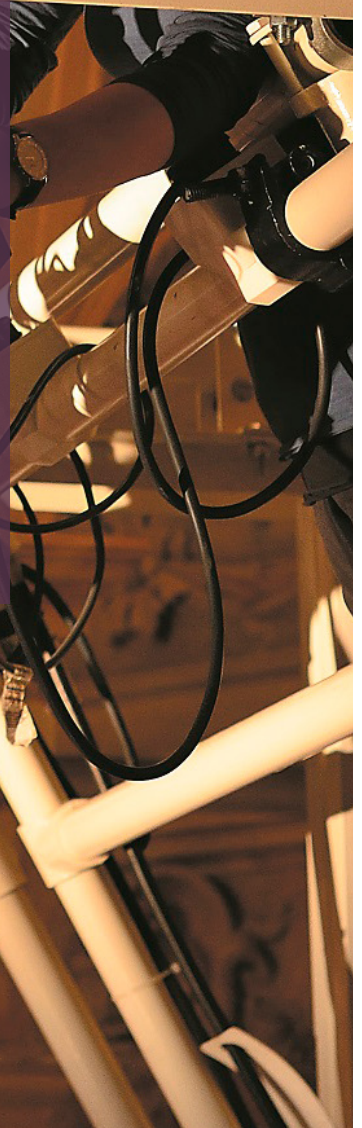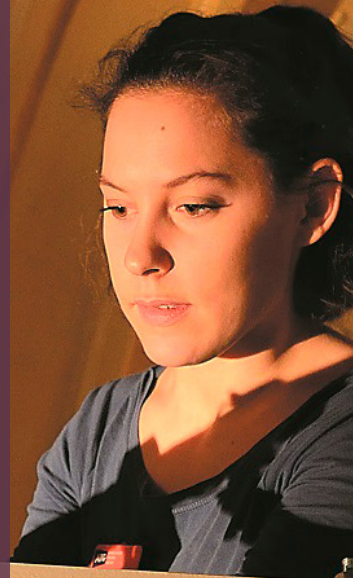
Key statistics

33.3 per cent of businesses report skills gaps. The most common gaps identified are:

- Business marketing and communications skills (**53.1** per cent);

- Problem-solving skills (**47.5** per cent);

- Vocational skills relating to business support occupations (**45.0** per cent);

- Fundraising skills (**43.8** per cent); and

- Social media skills (**40.0** per cent).

88.4 per cent of business leaders neither agree nor disagree that their organisation has a good understanding of what skills are required from their workforce.

85.8 per cent of business leaders recognise that technological change is important, but **37.2** per cent of leaders are not confident in their ability to lead this.

30.2 per cent of businesses report skills shortages. Of these:

- **45.0** per cent struggle to recruit fundraising skills; and

- **35.0** per cent struggle to recruit business marketing and communication skills.

External factors that are perceived to have a strong negative impact on businesses include a reduction in public funding or grants (**83.5** per cent) and the UK leaving the European Union (**53.2** per cent).

69.9 per cent of businesses agree that higher-level computing skills will become increasingly important.

Businesses most commonly report that fundraising, marketing and communication, digital, and business support skills would be in highest demand in the future.

83.9 per cent of businesses agreed that young people were unaware of the breadth of career paths available in the creative and cultural sector, and **67.8** per cent agreed that there were not enough young people studying arts and creative subjects in school.

58.5 per cent of businesses disagreed that more young people will leave education with the right creative skills.

57.7 per cent of businesses agreed that apprenticeships would become increasingly important in addressing skills shortages.

The creative and cultural industries have witnessed significant growth in recent years. Between 1997 and 2007, the UK's creative sector grew at an average of 5 per cent a year, compared with an average of 3 per cent across the economy as a whole.[2] Since this period, the creative industries have consistently performed better than many other sectors in England. The continued growth has had a direct impact on overall employment in the sector. Employment increased by 83.5 % between 1997 and 2013 compared with 10.6 % within total UK employment.[3] Furthermore, the gross value added (GVA) of the creative industries increased by 6 per cent year on year from 1997 to 2014 compared with 4.3 % for the UK Economy as a whole.[4] The cultural and creative industries are now recognised as one of the mainsprings of the British economy and sustaining growth within the sector has become a key priority.[5]

Skills are integral to continued growth within the creative and cultural sector as they underpin productivity and innovation. It is, therefore, essential to understand current skills needs within the sector and to identify any skills shortages and gaps which could inhibit growth now and in the future. There is limited evidence of current skills needs, gaps and shortages within the ACE footprint and the creative and cultural sector more broadly. However, the evidence that is available suggests that current and likely future needs are centred on the development of a range of generic transferable skills, in addition to the creative or technical skills required to undertake specific roles within the sector.

The creative and cultural industries are operating in an increasingly global and competitive marketplace.[6,7] Digital technologies are breaking down the barriers between creator, curator and consumer and impacting on the ways in which organisations interact with their existing customers and reach new audiences.[8] The report *Building a creative nation* acknowledges that, as a result, the creative industry requires a new, digitally literate workforce to support and enable the sector to harness, promote and capitalise on the opportunities this presents.[9] High level digital skills will be required to enable businesses in the UK to develop their capacity to operate across a range of platforms and take advantage of new and emerging markets and global supply networks.[10]

2   Shorthouse, R (ed.) (2010). *Disconnected Social Mobility and the Creative Industries*. The Social Market Foundation.
3   DCMS. (2015). Creative Industries Economic Estimates,
4   DCMS. (2016). Creative Industries Economic Estimates, (December), 1–33.
5   Warwick Commission, 2015. *Enriching Britain: culture, creativity and growth*. Warwick: The Warwick Commission Report on the Future of Cultural Value.
6   Creative Skillset, (2011). *Sector skills assessment for the creative industries of the UK*. London.
7   Creative Skillset. (2010). *Strategic Skills Assessment for the Creative Industries*.
8   Arts Council England, (2013). *Great art and culture for everyone*. London: Arts Council England.
9   Creative & Cultural Skills (2015) *Building a Creative Nation: The next decade. What the current literature tells us about the future skills needs of the creative and cultural industries*.
10   The National Skills Academy and Creative & Cultural Skills, (2015). *Building a Creative Nation: The Next Decade*.

However, there is evidence to suggest that the current workforce is failing to adapt and respond to these changes, with particular skills gaps emerging in relation to database management and software development. There is also a lack of digital capacity in both the leadership of and processes within the sector.[11] This is leading to a gradual intensification of skills gaps[12] which could inhibit growth.[13]

33.3%
of businesses report skills gaps

Recruitment offers a potential solution to skills shortages. However, increased demand for key skills, such as Information and computer technology (ICT) and digital skills, across all sectors within the economy has resulted in greater competition for a limited pool of skilled workers. Almost half of respondents to the Employer Skills Survey (ESS) from the creative industries reported shortages in the digital skills area compared with 42% of employers overall, and the proportion of vacancies that are 'hard to fill' within the sector is also increasing.[14] When vacancies are hard to fill, it is important for businesses to retain the skilled staff they currently employ. However, low levels of pay, particularly for entry level roles and within some sub-sectors including performing arts,[15] along with low levels of investment in continuous professional development can have a detrimental impact on staff retention, which exacerbates skills shortages.

30.2%
of businesses report skills shortages

Continuous professional development of staff in the workplace provides a mechanism for addressing skills gaps and shortages. However, the creative and cultural industries are characterised by a high proportion of small and medium enterprises (SMEs) and sole traders. Indeed, the most recent estimates suggest that 94.2% of UK Arts businesses have no employees, compared with 75.9% of businesses in the rest of the economy.[16] Levels of investment in training and development and business size are closely correlated. SMEs and sole traders have a tendency to underinvest in continuous professional development for themselves (and their employees where appropriate) and face a number of challenges when accessing training, including time and cost. Furthermore, businesses in the creative and cultural industries tend not to think strategically about their current and future skills needs; as a result, many only access training when an immediate need arises.[17]

11 Warwick Commission (2015). *Enriching Britain: culture, creativity and growth*. Warwick: The Warwick Commission Report on the Future of Cultural Value.

12 Creative Skillset (2011). *Sector skills assessment for the creative industries of the UK*.

13 Warwick Commission, (2015). *Enriching Britain: culture, creativity and growth*. Warwick: The Warwick Commission Report on the Future of Cultural Value

14 UKCES (2014). *Employer Skills Survey 2013: UK Results*.

15 Creative & Cultural skills. (2010). *The Performing Arts Blueprint*.

16 Farrell, BH, & Cruz, S (2017). *The Social and Economic Impact of innovation in the Arts*.

17 Creative Skillset (2011). *Sector skills assessment for the creative industries of the UK*. London.

Poor initial education and training in creative subjects along with inadequate careers education and guidance are regarded as contributing to long-standing skills shortages in the creative industries.[18] Sector bodies, such as Creative & Cultural Skills, have sought to address these issues and reduce the number of unfilled vacancies by supporting employers to adapt their recruitment practices and attract a more diverse range of skilled individuals. Currently, the sector is dominated by white men qualified to at least degree level. Networking[19] and unpaid internships[20] prevail as routes into the sector and this narrows opportunities for many non-graduates and those from lower socio-economic groups in particular.

Effective leadership and management is key to the sustainability and growth of any business and the creative and cultural sector as a whole. Carty and Jennings[21] highlighted that that those in leadership roles need a range of skills in addition to business management including: leading people, strategic planning, vision setting, lobbying, advocacy and influencing, effecting organisational change, and developing partnership and stakeholder relationships. *Character Matters*, a report by BOP Consulting,[22] examined the existing literature on the leadership skills needs of the museums sub-sector and identified a requirement for 'resilience skills' which include budget planning and fundraising along with the ability to diversify income streams and develop new operating models and approaches. These skills are particularly important in the context of the UK Government's austerity policy that has resulted in budget cuts for key funders of the creative and cultural sector, including local authorities and Arts Council England.[23] The BOP report also identified the need for more distributed models of leadership which give individuals at all levels of an organisation the autonomy to take decisions and contribute to the effective operation of the business. In addition, business leaders will need to develop the skills to manage the digital change process within their organisation. However, the development of leadership and management skills has been identified as an ongoing issue, with managerial and professional occupations among those with some of highest rates of skills gaps. Furthermore, there is concern among business leaders themselves about the particular skills needed to adapt to new technology and incorporate new ways of working in the next two to five years.[24] Digital skills are one of the most frequently reported areas for development which directly apply to those in leadership roles.[25]

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18 Creative Industries Federation (2016). *Industrial Strategy for the Creative Industries*.

19 Brighton, R, Gibbon, C & Brown, S (2016). *Understanding the future of productivity in the creative industries Strategic Labour Market Intelligence Report*.

20 Hesmondhalgh, D (2010) User-generated content, free labour and the cultural industries. *Ephemera* 10(3/4): 267–84.

21 Carty, H and Jennings, H. (2014). *Scoping the leadership development needs of the cultural sector in England*. Report for Clore Leadership Programme and Arts Council England.

22 BOP Consulting (2016). *Character Matters: Attitudes, behaviours and skills in the UK Museum Workforce*.

23 The National Skills Academy, & Creative & Cultural Skills (2015). *Building a Creative Nation: The Next Decade*.

24 ibid.

25 BOP Consulting (2016). *Character Matters: Attitudes, behaviours and skills in the UK Museum Workforce*.

Despite these challenges, the ESS suggests that employers (excluding sole traders) in the creative and cultural industries experience fewer skills-related issues when compared with businesses operating in other sectors and that the majority of jobs in the creative industries are being done by individuals who are skilled at the appropriate level.[26] However, this may change in the context of Brexit. Non-UK citizens fulfil important roles within the sector, particularly sub-sectors such as publishing and IT.[27] Existing skills shortages could be exacerbated if EU workers are deterred or prevented from working in the UK after it leaves the EU.[28,29] Given this uncertainty, it will be important to ensure that creative and cultural businesses receive support to address skills gaps and shortages through training and recruitment and that business leaders in particular are equipped with the skills they need to adapt and respond to change. This will involve fostering relationships between employers, schools and training providers in the further and higher education sector[30] and continued public investment in the creative industries.[31]

26   UKCES, (2015). UK Employer Skills Survey 2015.
27   Labour force survey (2016).
28   Creative Industries Federation (2016). *Industrial Strategy for the Creative Industries*.
29   Sleeman, C. and Windsor, G. (2017). A closer look at creatives. [online] Available at: data-viz.nesta.org.uk/creative-skills/index.
        [Accessed 26/05/17]
30   Creative Industries Federation (2016). *Brexit Report*.
31   Creative Industries Federation (2016). *Industrial Strategy for the Creative Industries*.

Sustaining Growth

Sustaining growth in the context of political uncertainty and an austere fiscal climate presents a key challenge. Rapid advancements in digital technologies are breaking down barriers and changing the way people interact with and consume arts and culture in a global economy. A digitally literate workforce is, therefore, needed to capitalise on the opportunities this presents. However, current evidence suggests that difficulties recruiting digital skills in a competitive labour market, and a lack of workforce training and continuous professional development are contributing to skills gaps and shortages. There are concerns that the reduction in the number of schools and colleges offering art and design courses and the decrease in the number of young people studying these subjects will exacerbate skills issues, with implications for the pipeline. Furthermore, the development of leadership and management skills is identified as an ongoing issue, particularly the ability of leaders to adapt to technological change, develop effective strategies and sustainable business models, and diversify their funding streams in order to reduce their reliance on public funding.

Skills Gaps and Shortages

This skills assessment demonstrates that approximately a third of businesses within the footprint are experiencing skills gaps and shortages at all levels and among all types of occupation. These gaps and shortages impact individuals, businesses and the success of the sector as whole, as skilled staff become overburdened, efficiency is reduced, and the development of new and innovative products and services is inhibited. Although fewer skills gaps and shortages are identified at the senior level among associate professional and professional occupations, these are significant because they are more challenging to address and have implications for sustainability and growth.

A background in the creative and cultural sector is commonly regarded as a prerequisite for senior leadership roles. However, creative practitioners do not necessarily possess the requisite business skills to be effective leaders, such as financial management, strategic planning and networking. Broadening recruitment practices and behaviours to attract skilled leaders from outside the sector is one potential solution. A key advantage of this approach is that it presents an opportunity to learn from other sectors, for example, how to develop more commercial business models that are less reliant on grant funding and fundraising. The growth in apprenticeships and the opportunities presented by the apprenticeship levy also offer a potential solution and there is evidence that some businesses are plugging higher level skills gaps with Level 7 apprentices. However, a lack of understanding of the apprenticeships system prevails.

Digital skills are becoming increasingly important in the global economy, yet this skills assessment confirms that there is a shortage of skills in this area as well as a lack of digital literacy and confidence among many senior leaders. A fuller understanding of how new technologies can enhance processes in all areas of a business – from production, through marketing and communications, to sales and e-commerce – is needed to enable leaders to design and implement strategies that harness the power of technology to help expand, diversify and grow their business in a sustainable way.

Although leadership and management are key priorities for the creative and cultural sector, it is also important to address current and likely future skills gaps and shortages among the wider workforce. Recruitment is one way to address skills issues. However, this skills assessment highlights that a substantial proportion of vacancies are hard to fill because of a shortage of applicants overall and / or a shortage of candidates with the requisite skills. Low wages, poor terms and conditions, and competition from other sectors are perceived to impact on the number and quality of applicants to the sector. Furthermore, skilled staff can be attracted by opportunities to undertake creative roles in businesses outside the sector, resulting in a 'skills drain'. Training, outsourcing, collaborative working, peer support / mentoring and work shadowing are some of the other ways employers are currently addressing these skills issues in the short term.

Current Skills Needs

Existing evidence highlights gaps and shortages in the creative and cultural sector in relation to both technical and generic business skills.

- A third of creative and cultural businesses report current skills **gaps**; a similar proportion report current skills **shortages**. These are most prevalent in medium to large businesses.

- **Generic, transferable business skills gaps and shortages** are more common than gaps and shortages in specialist creative skills, in particular, marketing and communication, digital skills and financial skills such as fundraising. There is, however, concern over the **future sustainability of 'master crafts'** as experienced workers age and leave the sector.

- **Skills gaps and shortages impact existing staff and businesses** by increasing their workloads. They limit a businesses' ability to create new outputs, products and services and, in the most extreme examples, result in production ceasing.

- Businesses are attempting to **address skills needs through training and recruitment**. However, some businesses find it difficult to attract applicants with the required skills, attitude, and motivation. In a competitive labour market, creative and cultural businesses are often not able to match the salaries, terms and conditions offered in other sectors; many are not able to resource training and continuous professional develpment for existing staff. These are particularly tricky issues to overcome, which are exacerbated by reductions in public funding.

- 'Leadership' represent a significant skills gap in the sector. Recruiting senior staff with **both a creative background and leadership skills** presents a particular challenge and is acting as a barrier to addressing skills gaps and shortages at the senior level.

- Leaders recognise that **'technological change' will be important for the future viability** of their business, yet over a third of leaders lack confidence in their ability to lead this change.

- There is **lack of succession planning** in many organisations to mitigate the impact of existing leaders leaving. If this continues, this presents a key risk and could potentially exacerbate existing skills gaps and shortages at the senior level.

- Effective ways to address skills issues in a competitive labour market include **outsourcing work that cannot be done in-house, the development of strategic partnerships** and **working in collaboration** with other organisations and businesses.

Skills Gaps

Incidence of skills gaps

A third of both sole traders and employers experience skills gaps. However, almost three times as many medium to large employers (those with 25 employees or more) experience skills gaps compared with micro employers (those with up to 9 employees).

Proportion of businesses experiencing skills gaps by employer size

61.2 %
Medium or large 25+

42.1 %
Small 10 to 24

22.3 %
Micro 9 or fewer

32.3 %
Sole trader
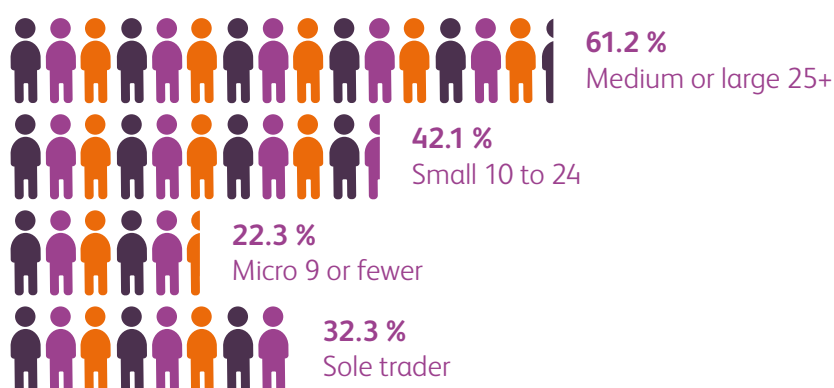
The proportion of employers facing skills gaps (34.2 %) is higher than the figure presented in the ESS.[32] These findings suggest that skills gaps are more prevalent in the sector than previously thought, and that employers in the creative and cultural sector could be twice as likely to experience skills gaps compared with employers in the wider workforce.

Sector-specific skills issues

Among sector-specific skills, employer survey respondents identified a range of skills gaps. Almost half of employers reported that vocational skills relating to business support occupations required development, over two-fifths of employers indicated that fundraising skills were an area for development, whilst approximately a third reported that partnership-working skills and creative digital skills for marketing art required improvement. When considering these sector-specific skills issues, sole trader survey respondents most commonly reported that they would like to develop their fundraising skills. Sole traders also explained that they struggled with writing applications for grant funding and would like to understand how they could diversify funding streams such as gaining sponsorship from the private sector.

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32   UK Commission for Employment and Skills (2016) *Employer Skills Survey 2015: UK Results: Evidence Report 97.*

The majority of interviewees focused on gaps relating to **business support skills** such as financial management and strategic planning. This included sole traders who perceived that they lacked the necessary skills to grow their business, and employers who felt that their staff had some skills in this area, but did not have a broad range of business skills.

> "How to get from being a lone maker into somebody who employs a few people and can go into the next chapter. A lot of them are getting opportunities all around the world but they don't quite know how to take full advantage of those opportunities"
>
> *Sole Trader, Contemporary Crafts*

Fundraising skills were also one of the key skills gaps reported by interviewees. Fundraising was felt to be a notable gap for those with an artistic background, as they were unlikely to have had access to training or guidance in this area and might be unaware of who to approach for this.

However, fundraising is just part of the bigger issue of financial planning. The sector is characterised by businesses repeatedly applying for small pots of funding for specific projects. Interviewees explained that businesses would benefit from a more strategic approach to funding which targeted commercial sources in addition to traditional creative and cultural sector funding and helped contribute to financial sustainability in the sector.

> "working on sustainability and financial planning, financial modelling, we don't have that, and there's also a lack of understanding about the need to be sustainable and to plan that way. There is an over-reliance on funding"
>
> *Employer, Literature*

Several interviewees reported sector-specific gaps emerging around **the creative use of digital skills**. Some felt that there was a gap in terms of possessing the technical skills required to create or perform their art, but there was also an increasingly evident issue of not having the digital skills necessary to respond to changes in demands of work that required a more digital approach to production. This was more pronounced in sub-sectors where digital work is still relatively new, such as museums and libraries.

Sector-specific skills gaps among employer survey respondents

45.0 %

Vocational skills related to creative business support occupations

43.8 %

Fundraising skills

35.6 %

Partnership working skills

31.3 %

Creative digital skills for marketing art

21.9 %

Vocational skills directly related to creative and design occupations

11.3 %

Creative digital skills for hosting art

10.6 %

Specialised or complex computer programming skills

9.4 %

Creative digital skills for creating art

"[Practitioners] need skills support in terms of business development, in all aspects of business development. Finance, marketing, social media"

Employer, Combined Arts

"There isn't a general understanding amongst makers certainly about how to go about funding and how to write proposals and who to approach"

Sole Trader, Contemporary Crafts

General Skills

When considering general skills, business marketing and communications skills were most commonly reported as an area for development with over half of employer survey respondents selecting this as a skills gap for their organisation. Interestingly social media skills were reported by two-fifths of respondents, which are important for marketing and communications. Problem solving skills, communication skills, and finance skills were also commonly reported as skills gaps by employers. Sole traders often referenced the difficulty they had in needing to be proficient in dealing with all areas of their business; their key development areas largely mirrored these findings with finance, and business marketing and communication skills being their skills development areas. Sole traders outlined that they lacked a range of finance skills such as budgeting, accounting and fundraising skills – as previously outlined. They explained that they were not able to financially evaluate or forecast finances for their business. In addition, sole traders also reported the difficulty they faced in developing strategies and business plans to propel their business forward. With regard to business marketing and communications, sole traders explained that they lacked the skills needs to effectively promote their business to drive sales.

Social media was an area where respondents felt that there was a skills gap, as it was seen as an essential method for promoting and marketing work and also engaging with communities and potential audiences. Again it is not simply about the issue of **possessing** digital skills, but **knowing how to use these effectively** in a rapidly changing digital space.

Skills Gaps among the sectors' leadership

Nearly two-thirds of respondents strongly disagreed or disagreed (collectively) that their organisation had good succession plans in place in case senior leaders left the organisation; two-fifths of respondents strongly disagreed or disagreed (respectively) that senior leaders in their sector had the business planning skills to adapt to change; and the majority of respondents neither agreed nor disagreed that their organisation had a good understanding of the skills required from their workforce. This indicates that leadership in the sector perhaps needs some development so that organisations can address skills issues.

"It's not necessarily just about knowing how to use technology, it's about having that enquiring mind to be able to use the technology effectively"

Employer, Libraries

**Leaders' agreement with a range of statements regarding their organisation's leadership and policies**

We have good succession plans in place in case senior leaders leave the organisation

- 40.5 per cent strongly disagree
- 22.5 per cent tend to disagree
- 36 per cent neither agree or disagree
- 1 per cent tend to agree

Senior leaders in my sector have the required business planning to adapt change

- 19.5 per cent strongly disagree
- 21 per cent tend to disagree
- 56.8 per cent neither agree or disagree
- 2.7 per cent tend to agree
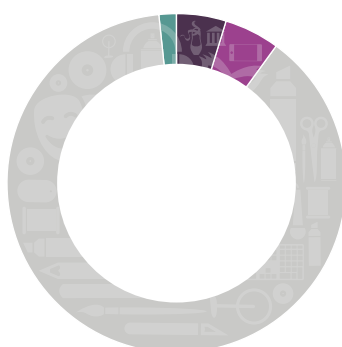
Our organisation has a good understanding of what skills are required from our workforce

- 4.9 per cent strongly disagree
- 5.2 per cent tend to disagree
- 88.4 per cent neither agree or disagree
- 1.5 per cent tend to agree

We asked leaders to assess the importance of key issues for their organisation's future viability and subsequently asked them to assess how confident they were in their ability to lead their organisation through these changes.

Whilst the majority of respondents perceived that leading technological change was fairly or very important to the future viability of their organisation, over a third of leaders were not very confident or not at all confident in their ability to lead this change.

**Leaders' confidence in leading key issues within their organisation**
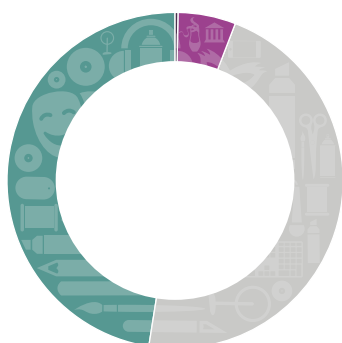
Leading organisational civic and community responsibilities

- 0.5 per cent not confident at all
- 5.5 per cent not very confident
- 46.5 per cent fairly confident
- 47.5 per cent very confident
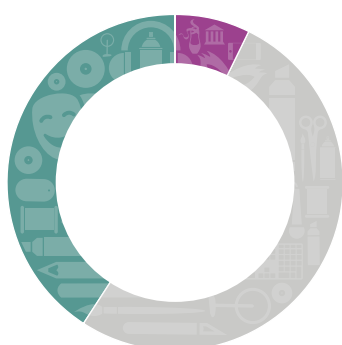
Leading cultural change within your organisation

- 0.2 per cent not confident at all
- 7.2 per cent not very confident
- 51.9 per cent fairly confident
- 40.7 per cent very confident
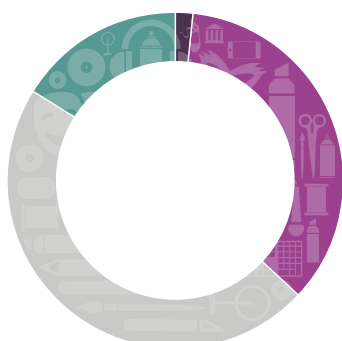
Leading technological change within your organisation

- 1.9 per cent not confident at all
- 35.2 per cent not very confident
- 46.9 per cent fairly confident
- 16 per cent very confident

When asked about leadership in their organisation and the sector more generally, the majority of interviewees suggested that leadership skills represented a significant skills gap in the sector both currently and going forward. A lack of experience seems to be the main cause of this skills gap, it was typical for people to work their way up through middle management into leadership roles rather than being recruited because of their specific leadership skills.

Interviewees did not think that there were any specific leadership qualities that leaders in the sector lacked, but felt that they often lacked **the breadth of skills** required for these positions, particularly in small organisations where many different demands were placed on the role of a leader.

"A lot of people come through from making and then, kind of, fall into leadership and administration stuff, and they don't necessarily have a background in it. Not that they shouldn't do it, but they might be a need for training in those areas to just bring the skills up to scratch, and fundraising is a big one"

Sole Trader, Contemporary Crafts

"In smaller organisations one individual will be doing a multiplicity of tasks and will need to be able to draw on a much broader range of skills than has hitherto been the case… What we notice is that we don't tend to see those well-rounded applicants with a range of different experiences, though our museum directors would need to be able to open up the museum in the morning, give tours, be on the shop floor, as well as writing a business plan and producing a fundraising application. They need to be able to do all of those different things"

Employer, Museums

Sector employers felt that the combination of business skills essential for good leadership and the creative attributes that attracted people to the arts was very difficult to find. The balance between the two was deemed essential.

Most discussions alluded to the need for more leadership that was willing to embrace change, to reflect potential future changes in the sector. Businesses perceived that this would require a greater emphasis on partnership working and co-creation in leadership, and that the ambiguity around the future of the sector meant that leaders needed to be able to thrive on uncertainty and be responsive to change.

Causes of skills gaps

Employers attributed their employees' skills gaps to a range of causes. Being new in role was the most common reason, as reported by over half of respondents. New working practices and incomplete training were also reported by approximately a third of respondents, while over a quarter of respondents attributed the cause to the introduction of new technology and not being able to recruit staff with the required skills and qualifications.

Interviewees most commonly report skills gaps relating to business skills, such as marketing, communication, financial management and recruitment. Two possible reasons were given for this. Firstly, the creative and cultural sector did not value business skills in the same way as it prioritised creative skills. Secondly, this type of skills gap was caused by a lack of attention given to this in vocational training. Courses were believed to focus on the creative aspect rather than how to survive as a sole trader or contribute to the running of a business.

The relatively low salaries offered in the creative and cultural sector was commonly perceived to be a sector-wide cause of skills gaps. Employees leave the sector, attracted by higher salaries elsewhere, and this exacerbates skills gaps within organisations.
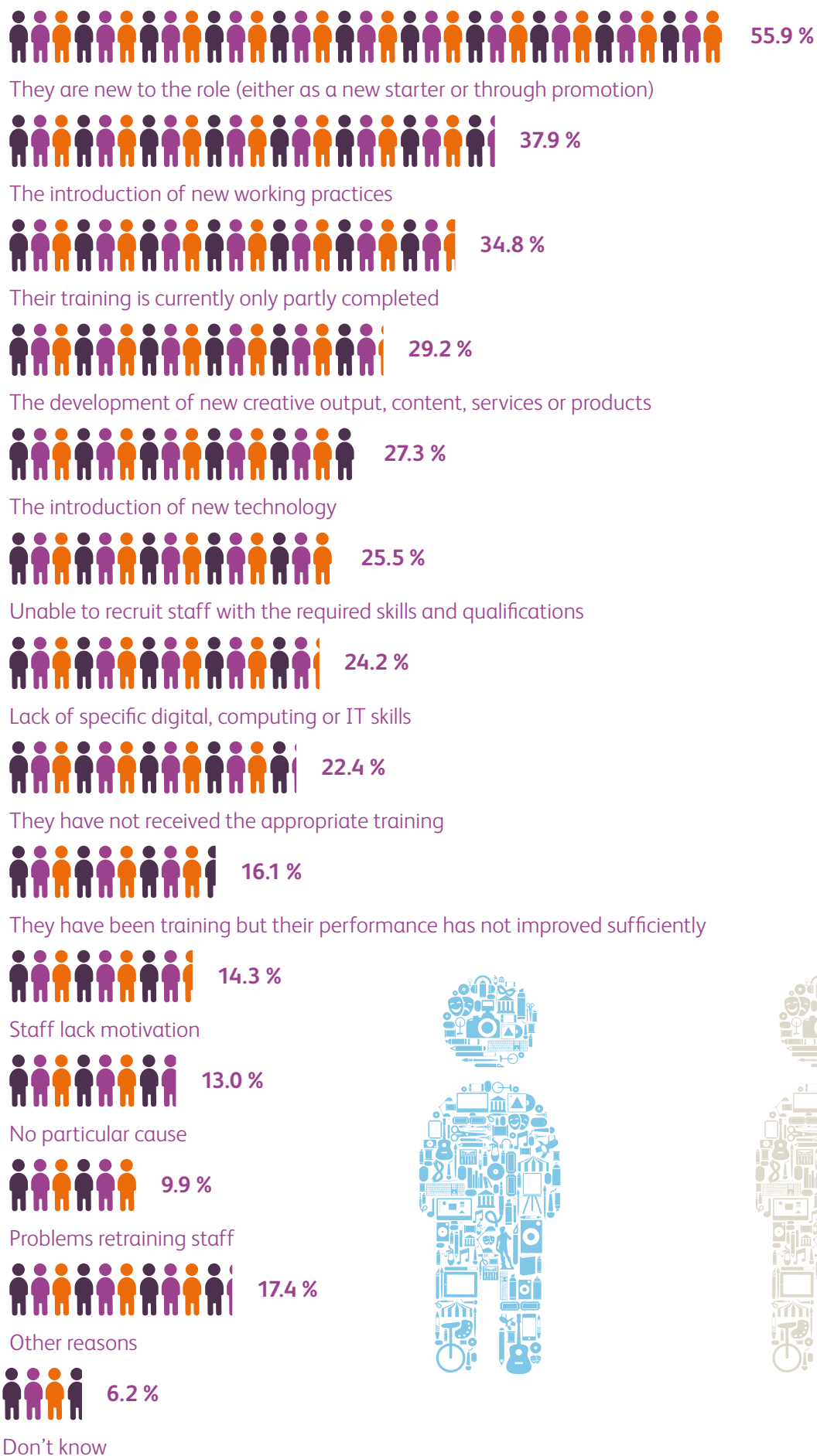
In terms of skills gaps in leadership roles, it was felt that that the creative and cultural sector expected too much from their leaders and managers. They were expected to have a range of leadership skills but also have creative insight. This was very difficult to find. Skills gaps are therefore likely to exist at this level because the role requires such a broad and yet specific skillset.

Interviewees also explained how skills gaps had developed in their organisation as job roles had changed, expanded or been combined. Staff needed to develop new skills in order to adapt to the changing nature of their roles and workplace and in order to prevent skills gaps emerging.

Some employers also felt that skills gaps existed in their organisation because they lacked the capacity to release staff to attend relevant training courses. Small organisations with frontline staff in particular struggled to cover training time, so upskilling current staff to fill identified gaps was difficult.

A major issue – particularly for small employers – was simply not being able to afford to take on staff to fill the skills gaps that they had identified. For sole traders and small employers, filling skills gaps by hiring specialist staff or upskilling their current workforce was not financially viable.

"If you've got people with computer skills and software development skills, and people who can work with digital art forms, they could earn a lot more money going somewhere else"

Employer, Visual Arts

Causes of skills gaps among employer survey respondents

55.9 %

They are new to the role (either as a new starter or through promotion)

37.9 %

The introduction of new working practices

34.8 %

Their training is currently only partly completed

29.2 %

The development of new creative output, content, services or products

27.3 %

The introduction of new technology

25.5 %

Unable to recruit staff with the required skills and qualifications

24.2 %

Lack of specific digital, computing or IT skills

22.4 %

They have not received the appropriate training

16.1 %

They have been training but their performance has not improved sufficiently

14.3 %

Staff lack motivation

13.0 %

No particular cause

9.9 %

Problems retraining staff

17.4 %

Other reasons

6.2 %

Don't know

Skills Shortages

Incidence of skills shortages

To better understand the skills shortages that the sector is facing, the survey first sought to understand the extent and nature of current vacancies. Just under a third of survey respondents reported that they currently had vacancies. Employers were asked to report in which occupational groups these vacancies belonged. Vacancies most commonly related to professional occupations, associate professional occupations, and administrative and secretarial roles. Over a quarter of sole traders also reported that they had attempted to recruit an employee over the last 12 months. Sole traders were asked to provide a qualitative outline of these vacancies; these most commonly related to associate professional and professional occupations.

Two-fifths of employers with current vacancies reported experiencing difficulties filling at least one of their vacancies. A third of sole traders who had attempted to recruit within the last 12 months had struggled to fill their vacancies. However, it should be noted that there is no statistically significant difference between the proportion of sole traders and employers who have experienced skills shortages.

The survey explored which occupational groups were most difficult to fill. Two-fifths of employers had professional occupation vacancies and a fifth were struggling to fill such vacancies. Whilst only a fifth of employers had vacancies for managers, directors or senior officials, a tenth were struggling to fill these.

Nature of skills shortages

Skills shortages largely reflect the skills gaps outlined above – fundraising, marketing and leadership skills. However, interestingly, interviewees reported that they were experiencing shortages in particular specialist technical skills areas as well.

Nearly half of employers have struggled to find applicants with appropriate fundraising skills, which suggests that this is the biggest skills shortage within the sector. Vocational skills related to creative business support occupations were the next most commonly reported skills shortage area. These skills shortages match the most commonly reported skills gaps within the sector specific skill group.

Sector-specific skills shortages among employer survey respondents

45.0 %

Fundraising skills

20.0 %

Vocational skills related to creative business support occupations

16.7 %

Vocational skills directly related to creative and design occupations

13.3 %

Creative digital skills for marketing art

8.3 %

Partnership working skills

8.3 %

Creative digital skills for creating art

8.3 %

Creative digital skills for hosting art

6.7 %

Specialised or complex computer programming skills

> "It's difficult to recruit fundraisers, because there aren't that many out there. The best ones can command good salaries, and so some people find it difficult to recruit into those roles"
>
> *Employer, Combined Arts*

Fundraising skills was commonly reported as a skills shortage as well as a skills gap. Employers perceived a general shortage of people with these skills within the sector, and that, in addition, it was difficult to attract fundraising specialists from outside of the sector.

Employers most commonly struggled to find applicants with business marketing and communication skills and finance skills. A fifth also reported a shortage of communication skills. Although the general skills shortages identified by employers mirror the skills gaps, there are differences in terms of the prevalence.

In a similar vein to fundraising skills, interviewees also struggled to recruit people into marketing roles and perceived that there was a shortage of such skills in the sector.

Causes of skills shortages

Employers most commonly attributed skills shortages to a low number of applicants with the required skills. Furthermore, poor terms and conditions; a low number of applicants generally; competition from other employers; and low number of applicants with the required attitude, motivation or personality were identified as key causes of skills shortages by approximately a third of employers. This aligns with the experience of sole traders who most commonly reported a lack of applicants with the required skills and poor terms and conditions as the primary causes of their skills shortages. Sole traders also reported that they had not been able to fill vacancies because applicants lacked work experience and / or had a poor attitude.

External causes

Interviewees attributed current skills shortages to changes in the education system. Some suggested that a lack of educational opportunities to develop creative skills at secondary or tertiary level had led directly to a skills shortage. Others alluded to a more complex set of factors which included a lack of effective careers education, information, advice and guidance in schools resulting in a lack of awareness of the wider opportunities within the creative and cultural sector.

Furthermore, the current curriculum was criticised for a lack of alignment with the skills needs of the sector and for focusing only on the skills required for a narrow range of careers, such as performance roles, rather than the wider skills and knowledge required for the business side of the industry. Ensuring young people were aware of the wider business roles available in the creative and cultural sector and have the opportunity to develop these skills, as well as their creative and technical skills, was essential if future skills shortages were to be avoided.

General skills shortages among employer survey respondents

35.0 %

Business marketing and communications

30.0 %

Finances (accountancy, financial planning etc)

20.0 %

Communication skills (oral or written)

18.3 %

Social media skills

18.3 %

Problem solving skills

11.7 %

Customer handling skills

6.7 %

Foreign language skills

6.7 %
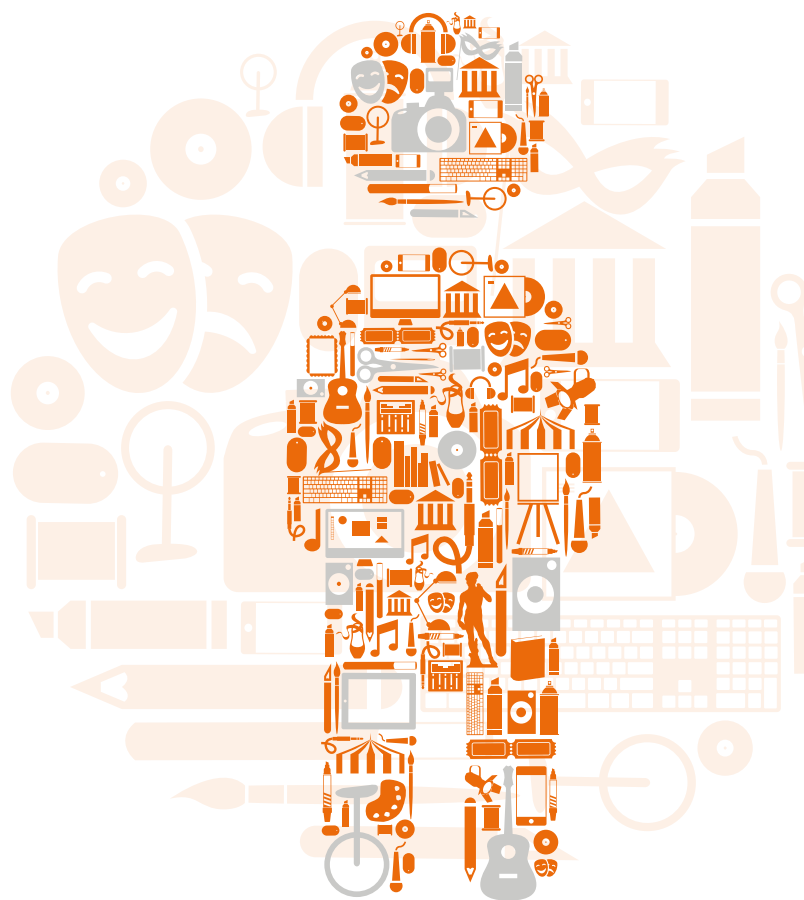
Functional skills in English or Maths

3.3 %

Basic computer literacy / using IT

Impact of skills gaps and shortages

For the majority of survey respondents, skills gaps and shortages were having a negative impact on their organisation or business. Skills gaps and shortages have a range of impacts on employers, but in particular, on the workload of other staff. They also cause delays in creating new output, content or services which, in turn, could have implications for the sustainability and growth of a business.

Skills gaps impact on a larger proportion of sole traders than employers. While both employers and sole traders were most likely to report that skills gaps caused delays in developing new outputs, content or services. A higher proportion of sole traders reported that skills gaps negatively affected their ability to build strategic partnerships; led to difficulties adapting to technological change; led to the withdrawal of certain creative output, content, services or products altogether; and resulted in lost business.
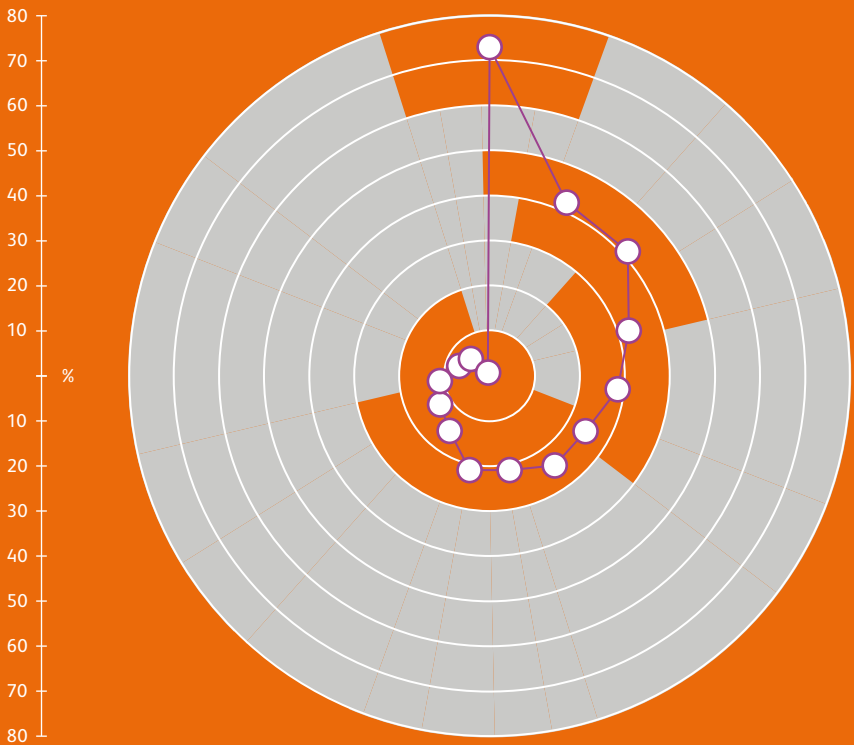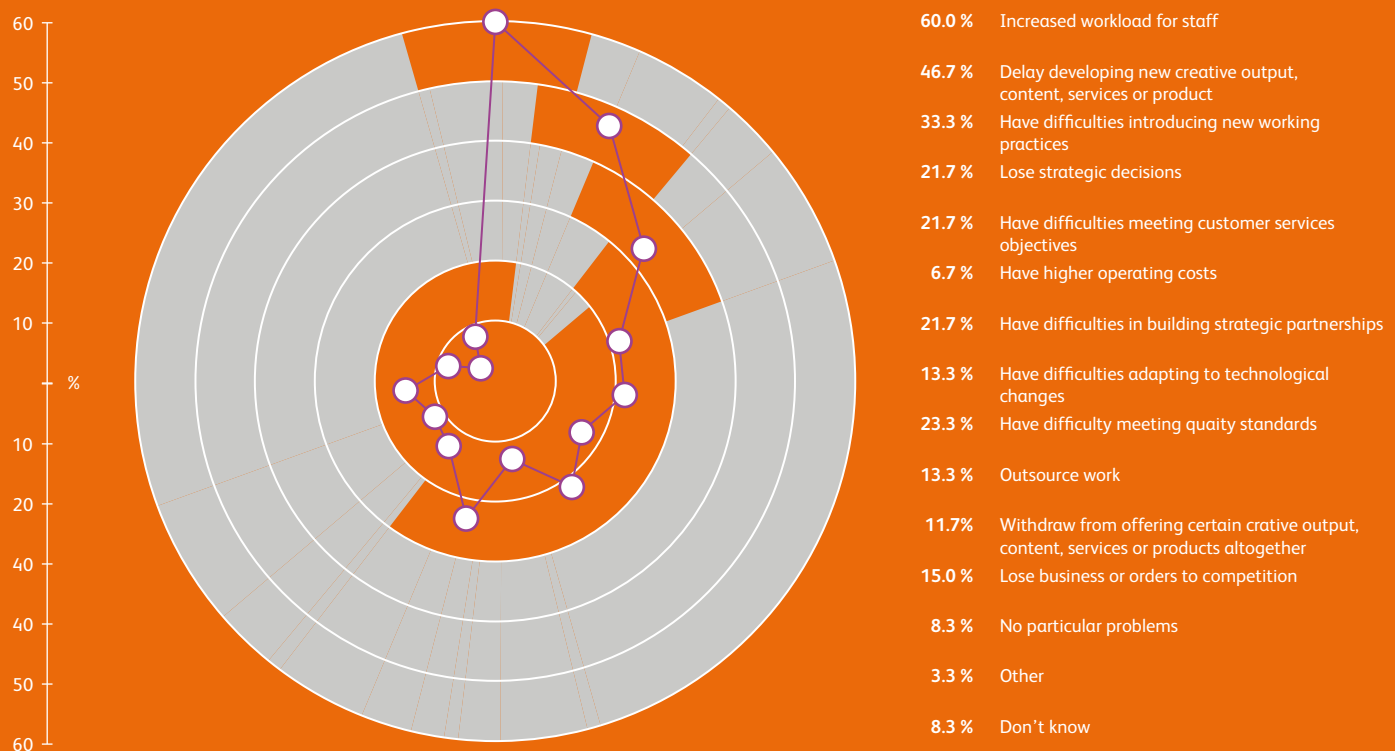
Skills gaps for employers

73.0 %	Increased workload for staff
42.1 %	Delay developing new creative output, content, services or product
41.3 %	Have difficulties introducing new working practices
32.5 %	Lose strategic decisions
28.6 %	Have difficulties meeting customer services objectives
24.6 %	Have higher operating costs
24.6 %	Have difficulties in building strategic partnerships
21.4 %	Have difficulties adapting to technological changes
21.4 %	Have difficulty meeting quaity standards
15.1 %	Outsource work
12.7 %	Withdraw from offering certain crative output, content, services or products altogether
11.1 %	Lose business or orders to competition
7.1 %	No particular problems
5.6 %	Other
0.8 %	Don't know

Addressing skills gaps and shortages

Interviewees felt passionately that it was imperative to address skills issues to ensure the future sustainability of businesses and to maintain the vital contribution that the creative and cultural sector makes to society and the wider economy.

Encouragingly, over two-thirds of survey respondents experiencing skills gaps had taken steps to address these and a further fifth were planning to do so. However, compared with sole traders, a higher proportion of employers had taken steps to address skills gaps or planned to do so.

Skills shortages for employers

|	
60.0 %	Increased workload for staff
46.7 %	Delay developing new creative output, content, services or product
33.3 %	Have difficulties introducing new working practices
21.7 %	Lose strategic decisions
21.7 %	Have difficulties meeting customer services objectives
6.7 %	Have higher operating costs
21.7 %	Have difficulties in building strategic partnerships
13.3 %	Have difficulties adapting to technological changes
23.3 %	Have difficulty meeting quaity standards
13.3 %	Outsource work
11.7%	Withdraw from offering certain crative output, content, services or products altogether
15.0 %	Lose business or orders to competition
8.3 %	No particular problems
3.3 %	Other
8.3 %	Don't know

Businesses were attempting to address the skills challenge in a number of ways. Approximately half of employers and over three-quarters of sole traders planned to, have undertaken or were planning to undertake training to address their skills gaps. Almost all the interviewees indicated that they were going on training themselves or putting employees through training in an attempt to address skills gaps in their organisation. Larger employers were in a stronger position to access training and to release staff for training purposes than smaller organisations. Sole traders and leaders of micro businesses did this where possible, but would like to have the funding or the capacity to be able to do more.

Three-quarters of sole traders were seeking to overcome their skills gaps through the development of partnerships or collaborative working.

While some businesses felt that it was difficult to share knowledge within the arts, others had managed to build useful networks and collaborative working relationships. For example, museums and libraries in one county have developed a partnership which enables them to share training and provide placements for each other's staff so that they gain a wide range of skills and experiences.

Proportion of survey respondents who have taken steps to address skills gaps
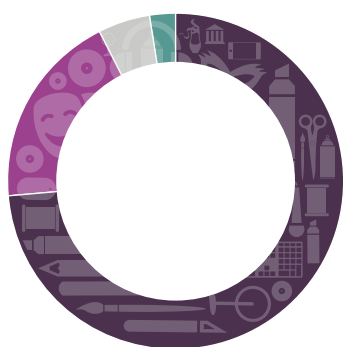
Employers

- 73.8 per cent steps taken
- 18.8 per cent steps planned
- 5.0 per cent nothing planned/undertaken
- 2.4 per cent don't know
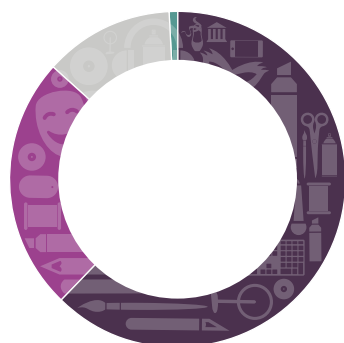
Sole traders

- 62.3 per cent steps taken
- 24.6 per cent steps planned
- 12.3 per cent nothing planned/undertaken
- 0.8 per cent don't know

Creating partnerships, particularly with organisations outside the sector, was perceived to encourage the sharing of skills, networking, shadowing and secondments. These were reported to be extremely beneficial, particularly in relation to obtaining business skills for the sector.

Recruitment presents a potential solution to skills gaps for employers and sole traders; indeed, two-fifths of sole traders were seeking to address their own skills gaps by expanding their business and employing new staff. However, a number of businesses in the creative and cultural sector experience challenges when it comes to recruiting new staff. Once staff have been successfully recruited, employers also recognise the importance of retaining those employees and the implications for the business if they fail to do so.

Steps sole traders have taken or plan to take to address skills gaps

78.3 %

Undertake training activity

75.5 %

Develop partnership or collaborative working with others

52.8 %

Change your working methods or practice

37.7 %

Thinking / planning to employ other staff

13.2 %

Thinking about taking on an apprentice

6.0 %

Any other action

Future Skills Needs

The creative and cultural sector is evolving in the context of political uncertainty, rapid technological change and globalisation, which have implications for skills in the future

- There is some concern over the future sustainability of the creative and cultural sector given reductions in public funding and uncertainty surrounding Brexit and its potential impact on the skills pool. Despite this, many employers are optimistic about the future.

- Roles within the creative and cultural sector are increasingly multi-faceted. Employers perceive that the diversification of roles and need for a broad skill set encompassing creative and generic business skills is likely to continue in the future to mitigate the impact of external challenges, such as reduced public funding, and ensure to the sustainability of individual businesses and the sector.

- Demand for marketing and communication, digital and financial skills such as fundraising will increase. This underscores the importance of addressing the current gaps and shortages identified in these areas. While some employers recognise the importance of fundraising skills, they also acknowledge that the sustainability of businesses in the creative and cultural sector is dependent on developing more commercial business models that are less reliant on grant funding and fundraising.

- Employers perceived that the risks of not addressing skills issues were far reaching for their business and the sector and could change the size and shape of the sector, stifle creativity and innovation, increase competition, and threaten the survival of smaller businesses and sole traders.

- Training, including apprenticeship, is perceived to be key to addressing skills gaps. Apprenticeships were regarded by some employers, particularly those that employ apprentices, as important for addressing skills shortages as well as tackling skills gaps among existing staff and increasing the diversity of the workforce. However, more needs to be done to develop the infrastructure.

- Educating future generations and encouraging people from diverse backgrounds to aspire to a career in the creative and cultural sector will help to ensure a pipeline of talent with the appropriate skills. However, a decrease in the number of schools and colleges offering creative art and design courses, the decrease in the number of students studying these subjects and a lack of effective information, advice and guidance on careers in the creative and cultural sector are perceived to be threatening the development of the talent pipeline.

Future direction of the sector

To better understand the future skills issues faced by organisations in the creative and cultural sector, the survey first sought to understand how key changes affecting the wider UK would impact on the sector. The majority of respondents perceived that a reduction in public funding or grants would have a strong negative impact on their business. Over half of businesses also perceived that the increasing costs of premises and the UK leaving the EU would have a strong negative impact on the sector. The majority of respondents perceived that advancements in technology would have a positive impact on their business.

Given the level of uncertainty about the impact of Brexit, leaders were finding it difficult to plan. There was little consensus about how to best prepare their business or the sector for the changes, other than being prepared to adapt in response to change as it occurred. Business leaders and sector stakeholders were, however, in agreement that Brexit was likely to impact the supply of labour and skills, and opportunities for international collaboration in particular.

"I'd say [Brexit] is a huge thing … I think there are seventeen skills shortage categories on the immigration list already and we are in the European Union… What's going to happen after [Brexit]? If we just had this market to rely on, there just wouldn't be enough people and, you know, that's why the European market has been established. I think creativity works precisely because you don't have boundaries in how people think and where they draw ideas and inspiration from"
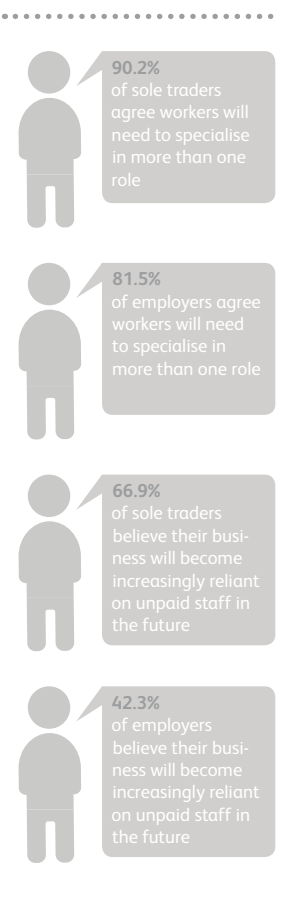
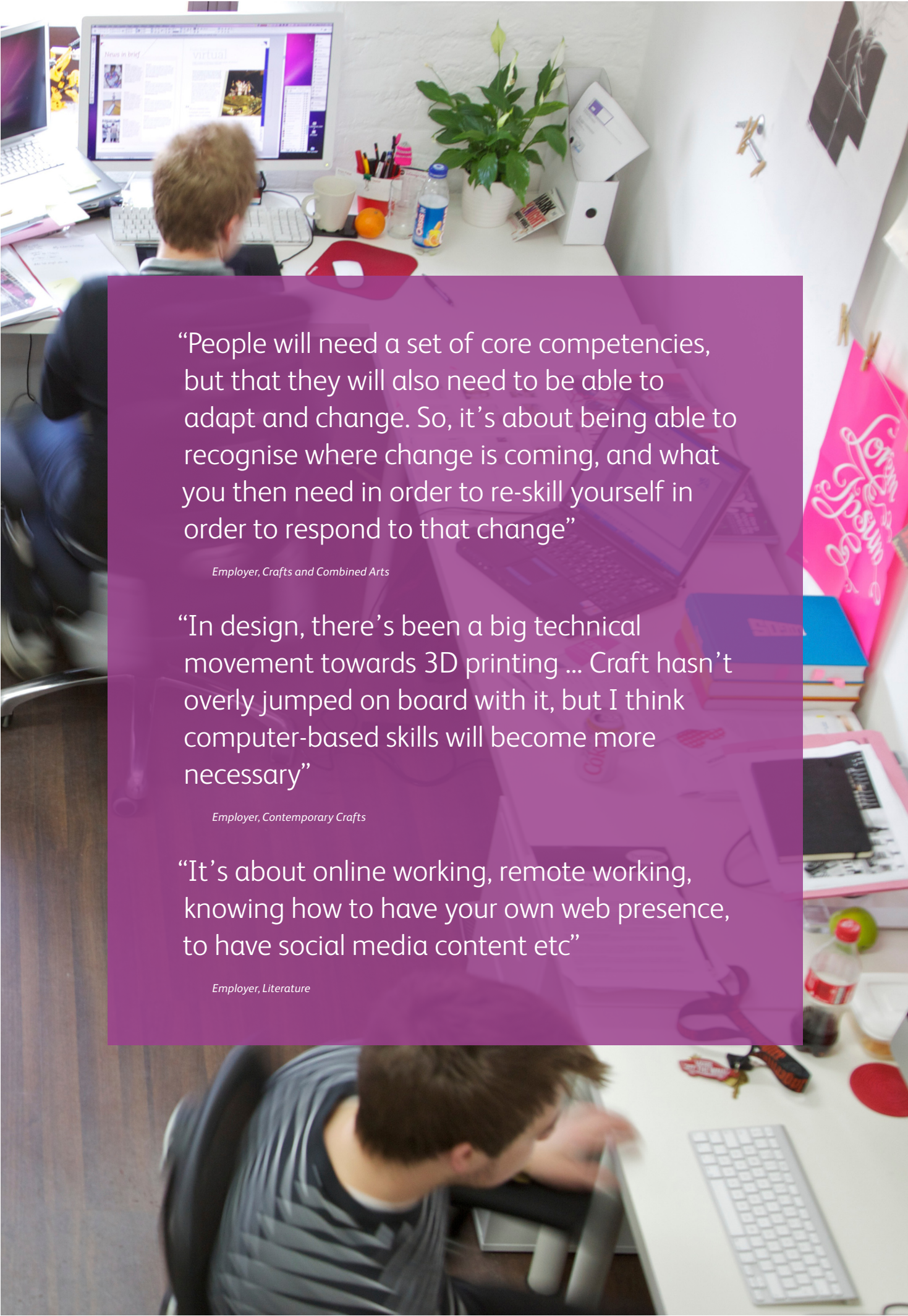*Employer, Visual Arts*

Implications of wider changes

Reflecting the need for the sector overall to be flexible and responsive to change, the majority agreed that workers in their sector would need to specialise in more than one role.

Higher-level computing skills will become increasingly important in the future. Digital / technological skills will be particularly important, reflecting the perceived future direction of the sector and the rapidly changing digital landscape that is shaping it. ICT skills encompass production skills as well as marketing and promotion.

There is also a perception within the sector that specialist workers will increasingly need the skills to communicate well with specialists in other disciplines, and that it will be harder to recruit EU nationals.

A higher proportion of sole traders than employers agreed that workers would need to specialise in more than one role in their sector and that their business would become increasingly reliant on volunteers or unpaid staff in the future. In addition, a higher proportion of respondents who have taken on unpaid staff in the last year agreed that their business would become more reliant on unpaid staff in the future compared with those who have not. This suggests that once a business has taken on unpaid staff, it is more likely to continue to rely on this source of skills and capacity in the future.

90.2%
of sole traders agree workers will need to specialise in more than one role

81.5%
of employers agree workers will need to specialise in more than one role

66.9%
of sole traders believe their business will become increasingly reliant on unpaid staff in the future

42.3%
of employers believe their business will become increasingly reliant on unpaid staff in the future

"People will need a set of core competencies, but that they will also need to be able to adapt and change. So, it's about being able to recognise where change is coming, and what you then need in order to re-skill yourself in order to respond to that change"

Employer, Crafts and Combined Arts

"In design, there's been a big technical movement towards 3D printing ... Craft hasn't overly jumped on board with it, but I think computer-based skills will become more necessary"

Employer, Contemporary Crafts

"It's about online working, remote working, knowing how to have your own web presence, to have social media content etc"

Employer, Literature

Demand for Skills in the Future

Vocational and creative skills directly related to particular sub-sectors are likely to be in great demand, in addition to creative thinking. Of greater importance, however, is a range of skills related to business sustainability. **Fundraising skills** are identified as important by approximately a third of respondents. They highlight that business leaders will need the skills to write successful bids, gain sponsorship and pitch for new business. This is particularly important given the likely reduction in public funding and grants and the negative impact this is likely to have on many business that currently rely on this source of income. Increased demand for fundraisers is likely to increase competition for skilled staff, therefore recruiting people with these skills could become increasingly problematic. This is a significant area of concern for interviewees.

Some respondents recognised that they needed to go beyond just developing the skills to write successful funding bids in the future and actually needed to change the way that they approached funding in order to become more sustainable. Although accessing funders or curators was a current challenge for some businesses, they recognised the importance of building up relationships with these to ensure their work becomes more self-sustaining in the future.

Approximately a fifth of respondents highlighted that **general communication skills**, along with **marketing and communication skills**, would be in demand in the future because effective marketing and public relations were perceived to be key to their future success. Keeping up with technological advancements and developing **digital skills** will be important in order to create, market and host creative output, content or services.

Approximately a fifth of respondents predicted demand for **business support skills** such as management and planning would be likely to increase. Within this skills set, financial management was perceived to be paramount to ensuring the smooth running of a business. Furthermore, in the context of reduced funding, a minority of respondents perceived that **partnership skills** would be one of the three most highly sought-after skill areas in the future. Respondents reported that cross-disciplinary collaborations and strategic partnerships would be important in the future and that networking skills would be required to support these. These findings reflect the wider view of survey respondents that specialist workers will need to develop skills to communicate with specialists in other disciplines. Collaborating within and outside of the sector and sharing learning and resources is perceived to be an effective way to mitigate the impact of reduced funding. In addition, commercial partnerships are recognised as facilitating access to new funding streams, helping organisations to diversify their fundraising and create a more sustainable model.

"I think we're going to need more, and stronger, and better equipped fundraisers in the sector. Right now, there's a huge war on talent on this. We're all fishing in the same pools and we're all losing people to bigger institutions or universities that have been better funded so far…. I think it will be trickier in the future"

Employer, Visual Arts

"I think it's the focus on employing people who can develop creative partnerships with different organisations, work collaboratively, be very agile in their way of working and flexible and adapt to a changing environment … It's about operating with increasingly limited resources from public funders and the need to be able to generate more income from a wider range of sources. In order to do that, you need to have a wider range of supporters and in order to get a wider range of supporters, you need to be able to forge alliances beyond your own organisation.

Employer, Museums

Supporting the next generation

The future skills needs of employers may be met by upskilling the existing workforce alongside encouraging young people to aspire to a career in the creative and cultural sector and supporting them to develop the appropriate skills. However, the majority of businesses agreed that young people were unaware of the breadth of career paths available in the creative and cultural sector and that there were not enough young people studying arts and creative subjects in school. Furthermore, almost three-fifths of respondents disagreed that more young people would leave education with the right creative skills to succeed in the sector.

The findings suggest that businesses were not confident that future generations would have the appropriate skills and aspire to a career in the sector.

Better links between business and schools, colleges and higher education providers may help to ensure that courses are tailored to the skills needs of the sector in the future.

Increasing the diversity of the creative and cultural workforce is a proposed solution to the future skills challenge. Currently, just a two-fifths of survey respondents agreed that the workforce in the creative and cultural sector represented the diversity of the wider UK population.

"If you see the demographics of this country, there's a very robust young workforce, particularly from a BME background, who is not engaging very much in the visual arts and that's changing but it's very slow. We're clearly losing out on these people"
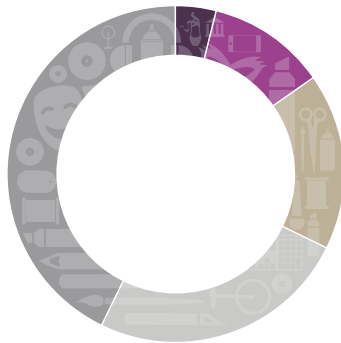
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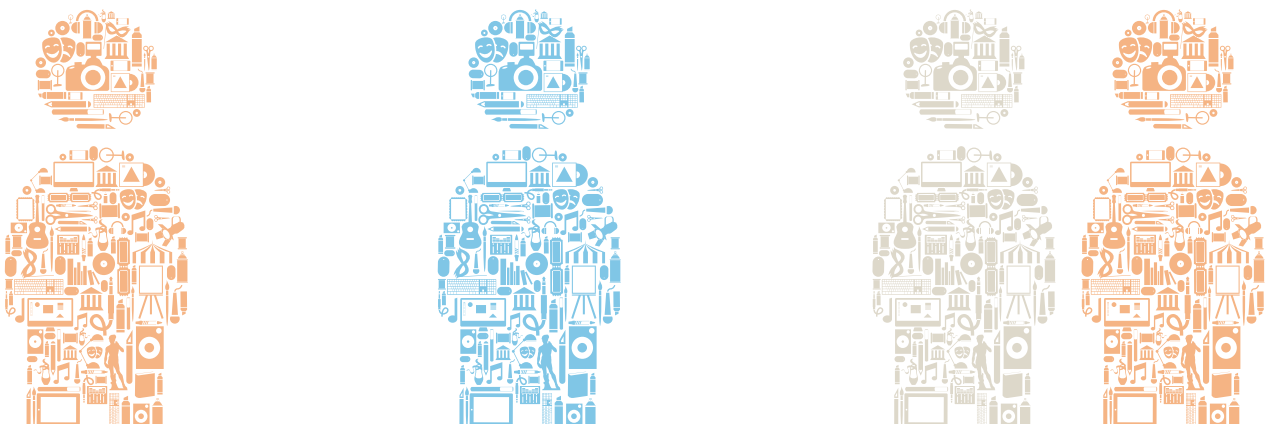
Perceptions relating to arts education and career information, advice and guidance
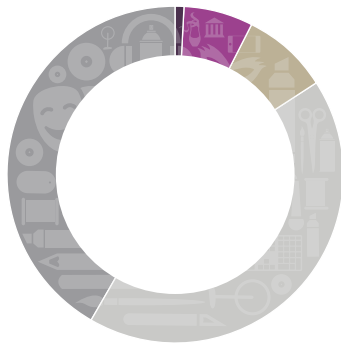
Young people are unaware of the breadth of different career paths available in our sector

- 1.0 per cent stongly disagree
- 6.5 per cent tend to agree
- 8.6 per cent neither agree nor disagree
- 42.3 per cent tend to agree
- 41.6 per cent strongly agree

There are not enough young people studying arts / creative subjects in school

- 4.1 per cent stongly disagree
- 11.2 per cent tend to agree
- 17.0 per cent neither agree nor disagree
- 25.2 per cent tend to agree
- 42.6 per cent strongly agree

More young people will leave education will the right creative skills to succeed in my sector

- 15.3 per cent stongly disagree
- 43.2 per cent tend to agree
- 25.1 per cent neither agree nor disagree
- 13.7 per cent tend to agree
- 2.7 per cent strongly agree

"It needs to be a key part of a young person's education … opportunities should be there for them to learn and be trained and educated in the creative arts."

Employer, Combined Arts

The majority of business leaders would like to see the diversity of the workforce increase.

Increasing diversity through raising awareness of opportunities in the sector is critical in order to drive the change in attitudes and cultures that is needed in order to avoid skills shortages in the future. Employers feel that schools, as well as colleges and universities also have a role. Much more could be done to make young people aware of the diverse range of careers available in the creative and cultural sector, and in the business-orientated vocations that may appeal to a more diverse range of young people in particular.

Furthermore, most interviewees perceived that while there was no shortage of performers, there were shortages in the associated roles. Raising awareness of other careers in the creative and cultural sector would help to boost a young person's employment prospects while also addressing future skills needs.

Increasing apprenticeships offers a further potential solution to the future skills challenge. Almost three-fifths of survey respondents, and three-quarters of those who already employ an apprentice, agreed that apprenticeships would become increasingly important in addressing skills shortages. In addition to equipping trainees with the skills employers need, apprenticeships are perceived to have the potential to attract a wider range of individuals to entry-level roles, helping to diversify the sector.

"If you haven't gone to university for whatever reason, it's really, really hard to get into the industry because there's just a bias towards graduates. So, one of the great things about apprenticeships is you can't be a graduate"

,Employer, Dance

Only a fifth of survey respondents overall currently employ apprentices and only a tenth of employers that are experiencing skills shortages perceived apprenticeships to be a solution to addressing these such shortages. This is likely to be, at least in part, because a majority of businesses perceive that organisations in the sector face barriers in recruiting apprentices, including half of those who currently employ apprentices. There is, however, a consensus that training would be an effective way of reducing sector skills gaps in the future.

"Everybody thinks that apprenticeships in general could be a real route forward for bringing in a wider range of people into this industry, but there's a certain amount of, 'Yes, but it's really not happening,' and so we need to change the way we do things quite significantly in order to make that improvement"

Employer, Theatre

Developing the Pipeline: Priorities for the Future

While it is important to address current skills issues, it is crucial to take a long-term view and to put measures in place to ensure that the next generation is equipped with the skills for a career in the creative and cultural sector of the future. The findings from this skills assessment emphasise the importance of addressing issues at each stage of lifecycle in order to develop a sustainable pipeline of talent:

Educate

Ensure creative art and design education equips young people with the fundamental technical skills they need to work in the creative and cultural sector. Vocational education and training, along with higher education, must keep pace with developments within the sector and support learners to develop the business, as well as the creative, skills needed to succeed in work or self- employment. In addition to the work of the National Skills Academy for Creative and Cultural, closer links between education providers (schools, colleges, training providers, HE institutions), arts organisations and employers more broadly could help to address deficiencies in current provision and ensure education and training meets the needs of employers, both in new and emerging industries and the 'master crafts'.

Inspire

It is important to continue to work to raise awareness of the range of careers in the creative and cultural sector and the benefits of studying creative subjects through effective information, advice and guidance for young people and meaningful work experience, including paid internships.

Recruit

It is important to build on the legacy of the Creative Employment Programme and continue to challenge prevailing recruitment practices and behaviours. Broader approaches, including partnerships with organisations such as Jobcentre Plus and the development of alternative entry routes such as apprenticeships, help to widen access to the sector to diverse groups and increases the talent pool by encouraging those who otherwise might not have considered a career in the creative and cultural sector to apply.

Train and retain

The evidence suggests that employees are motivated to train and develop. It is, therefore, important to invest continuous professional development and develop creative ways to overcome time and resource constraints in order to enable staff to engage. In addition to ensuring workforce skills remain up to date and staff are able to adapt to change, training can engender loyalty and support retention, particularly if it is coupled with a suitable system of rewards and opportunities for progression.

Glossary

Term	Definition
Employer Skills Survey (ESS)	A UK survey that is conducted biennially to explore the skills challenges that employers face.
Sector growth	An increase in the amount of goods and services produced in a particular segment of the economy.
Skills gaps	Employees or sole traders not having proficiency or skills to do their jobs to the required level.
Skills shortages	The difficulty in filling vacancies due to being unable to find applicants with appropriate skills, qualifications or experience.
SME	Small and Medium Enterprise – this is an organisation that satisfies two of the following three characteristics: a turnover less than £25m, fewer than 250 employees, and gross assets less than £12.5m.
Upskilling	The process of learning new skills or of teaching employees new skills.

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