Habia
Skills Foresight for the Hair and Beauty Sector 2007

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Habia
The standards setting body for
Hair, Beauty, Barbering, African-Caribbean Hairdressing, Nails and Spa
Oxford House
Sixth Avenue
Sky Business Park
Robin Hood Airport
Doncaster
DN9 3GG

Tel: 0845 2 306080
Fax: 01302 774949
Email: enquires@habia.org
Web: www.habia.org

Habia Skills Foresight Report 2007

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The Hair and Beauty Sector at a Glance

Sector industries	• Hairdressing, beauty therapy, nail services, spa therapy, barbering and African Caribbean hairdressing and barbering.
Size	• £5.2bn turnover • 43,000+ businesses • 230,000+ workforce • 500 million client visits pa.
Profile	• UK-wide distribution • Majority of salons are micro-businesses • Majority of nail technicians are self-employed • 65% to 98% of workers are female, depending on industry • High percentage qualified.
Growth	• Business confidence high • 22% increase in businesses 1999-2005 • 28% growth in client spend 2001-2006
Technical skill gaps	• Hair – Indian head massage, hair extensions, plaiting and braiding, chemical straightening • Beauty – laser/IPL hair removal, nail art, micro-dermabrasion, cellulite programmes • Barbering – shaving, face massage, scalp massage, relaxing • Nails – airbrushing, gel nail systems, wrap nail systems • Spa – hot stone therapy, shiatsu/acupressure, Thai massage, Ayurvedic and sports massage, laser/IPL hair removal, non-surgical facelifts • African Caribbean - all specialist skills and underpinning knowledge, techniques for natural (not-chemically treated) African type hair
Business skill gaps	• Selling/retailing for personal services • Business planning • Marketing and PR
Skill shortages	• Salon owners report difficulties filling vacancies for most technical roles • High staff turnover in nail salons, spas and African Caribbean salons.
Key issues	• Improving appropriate recruitment of new entrants to increase retention and achievement • Supporting progression from Level 2 to Level 3 qualifications in hairdressing and nail services • Poor employability and basic skills of new entrants • Improving commercial awareness of students from full time courses, especially in beauty therapy and spa therapy • Improving partnership working between salons and FE colleges • Raising the perception with influencers of careers in the hair and beauty sector.

1. Introduction

1.1. Key Industry Features

Habia is the government approved Standards Setting Body for hair, beauty, nails, barbering, spa therapy and African Caribbean hair, and creates the standards that form the basis of all sector qualifications including NVQs, SVQs and Apprenticeships, as well as Codes of Practice.

The main findings of the 2004, 2006 and 2007 skills surveys are set out in this report and the full survey results for each industry can be downloaded from www.habia.org.

All survey results have been reviewed and confirmed by the relevant Habia industry forum. Given the difficulty in obtaining sufficient responses from spas and salons offering African Caribbean hairdressing and barbering services, the results from this industry can only be regarded as indicative.

Industry	Number of Businesses*	Number in Workforce
Hairdressing	35,704	200,000
Barbering	2,967	5,300
African Caribbean Hair	302***	Included in Hairdressing
Nail Technicians	1,512****	Not available
Beauty Salons & Consultants	13,107	33,500*****
Beauty Therapists - Mobile	947	Included in Beauty Salons & Consultants
Spas	400**	6,000
Total	54,975	Estimated 275,000

Sources: * Experian database; ** Spa Business Association; *** Habia Forum estimate – salons predominantly serving clients with African hair type; **** Numbers estimated to be much higher than this – see section 1.6; *****Beauty Index 2007

All industries experienced growth during the period 2001 to 2007, were confident of continued growth into the next year and of increasing employee numbers during the following 12 months. Technical skill gaps and shortages in the industries relate to emerging techniques and it is common to offer services that are not technically related to the core business. Increasing retail sales is a business skill gap common to all industries. Vacancies exist across most job roles in all industries.

The hairdressing and beauty therapy industries are mature qualification markets with well established learning routes and a high take up of qualifications. Barbering and African Caribbean hairdressing skills have, until recently, been incorporated within the general hairdressing standards and qualification structures. Barbering National Occupational Standards (NOS) were developed in 2003 with introduction of the N/SVQ in July 2003. Nails and Spa are new markets for qualifications with the development of specific standards in 2004 and the introduction of the N/SVQ Level 2 and 3 in Nail Services in September 2004 and N/SVQ Level 3 Spa Therapy in August 2004. National Occupational Standards for African Caribbean hair are currently in development.

The hairdressing and beauty therapy industries are rewarding industries to work in. Beauty therapists enjoy their careers more than anyone else, awarding their jobs 9.2 out of ten on the happiness scale. Contributing to their happiness in the workplace is the ability to meet lots of new people (95 per cent) and being made to feel appreciated (90 per cent)'. Beauty therapists knocked hairdressers off the top spot from the previous year. (Source: Happiness Index, City & Guilds, 2006).

The SSDA predicts that beauty therapists (and business managers) rather than electricians and plumbers will make up tomorrow's workforce, and it is expected that women will take the majority of the jobs.[1] The Office of National Statistics reports a 1.5% growth in self-employed jobs, and attributes part of the increase in the personal activities sector to the increase in self-employment.[2]

1.2 Industry drivers

1. Client expectations – are the highest they have ever been, customer service the key to success.
2. Fashion – TV, film, pop music culture and consumer magazines.
3. Trade press and exhibition organisers – facilitating exchange of information, competitions.
4. Manufacturers – investment in account holders, management skills training and advertising, e.g. Wella, L'Oreal.
5. Big companies training future salon owners e.g. Vidal Sassoon, Regis, and franchisors, e.g. Toni & Guy, Saks.
6. Habia – voice of employers on skill issues, National Occupational Standards, research, training policy, learning materials, influence on Awarding Bodies, e.g. NVQ/SVQ assessment strategy.
7. Awarding bodies – NVQs/SVQs, other VQs, quality of assessment and centres.
8. Government funding policy – most new entrant training is through government-funded provision for school leavers.
9. Learning providers – FE and private in hairdressing, mainly FE in beauty therapy.
10. Technology – mainly new electrical products in beauty therapy.
11. New entrant expectations – training, career paths, wages, increasing trend to part time arrangements to suit family commitments.
12. Increased public concern with health, well-being and appearance.

1.3 Industry brakes

1. Pricing – many salons have low prices.
2. Low starting wages but industry is building on national baseline for wages and conditions of employment.
3. Low but rising profile among careers advisors and many parents.
4. Recruits whose strengths are mainly practical not academic. In beauty some evidence that psychometric profile is predominantly caring and in hairdressing creative, rather than entrepreneurial or commercial. This impacts on success of new businesses.
5. Lack of basic skills and higher than average incidence of dyslexia in new entrants mean Apprenticeship frameworks are unachievable for many trainees because of key/core/essential skills requirements. Lack of management/business skills among salon owners and self employed.
6. Lack of external regulation concerning professional entry to practise, leading to an estimated 25% of workers operating in the unofficial economy and exerting downward pressure on prices.
7. Government VAT threshold – micro-businesses operating within their comfort zone, under the VAT threshold.
8. Some micro-businesses and trainers/lecturers not keeping up with changes in client demands, fashion, techniques, treatments and equipment.

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[1] Working Futures, SSDA, 2004-14
[2] Labour Market Overview: February 2007: Office of National Statistics

9 Fragmented industry dominated by micro-businesses with more than 25 trade associations.

10 New legislation – unequal burden on small and micro-businesses. Red tape has an inhibiting effect on expansion.

11 Negative attitudes by some in Government and its agencies to careers in hair and beauty sector. Low priority area because it is not a new industry, is not a struggling industry and does not manufacture or export anything tangible or in large quantities. UK-wide, so national and regional agencies do not regard sector as a priority because it does not have regional concentrations.

12 The personal nature of the treatments and services means there is a higher degree of client loyalty to individual stylists, beauty therapists etc rather than to the salon. This makes salons vulnerable to swings in business performance if/when staff leave and set up in business themselves, either freelance or in a new salon. In some salons this leads to reluctance among employers to develop the managerial and commercial skills of their staff.

1.4 Setting the Scene on the Hair and Beauty Sector

Step out of a hair or nail salon, then into a beauty salon or spa, and you will immediately notice the difference between them. You will have left an open plan salon, busy with creative stylists or nail technicians chatting to clients about the latest fashions, with music playing in the background.

Enter a calmer, quieter world greeted by a beauty or spa therapist in a clinical white uniform. You are led to the privacy of a spotless treatment room to receive your treatment. Improving your external appearance is only part of the story. Most beauty salons and spas take a more holistic approach and provide an uplifting or relaxing experience according to your needs.

However, there are also marked similarities. All are dependent on regular repeat business from satisfied clients. This means that, besides technical skills, interpersonal skills are very important, especially the ability to communicate verbally. The service provided is agreed with the client, customised to meet individual needs and delivered straight away. The quality of the service is immediately felt by or visible to the client. This level of responsibility is reflected in the importance attached to the training and education of new entrants.

Our sector is driven by changing fashion and advances in technology, which constantly leads to the introduction of new techniques and equipment. This, in turn, requires industry trainers and those already working to continually update their skills in order to stay at the leading edge of practice and client demand.

Economic drivers also affect the hair and beauty sector. Whilst the demand for basic hair cutting services tends to be constant, that for added services, such as colouring and perming, tends to be more influenced by the economic climate. Consumers tend to regard beauty and nail treatments as a luxury and, as such, are particularly influenced by economic factors.

Consumers also drive quality of services, and their awareness of rights and expectations of high quality service are constantly rising.

Anecdotal evidence suggests increasing legislative requirements are a constraint on business development. With our industries dominated by micro-businesses, initiatives without the backing of legislation or a demonstrable impact on the bottom line are unlikely to gain the attention of the owner/manager and have little chance of success.

Salons in our industries face similar issues linked to their size – career progression and lack of business skills in particular. For many practitioners, the obvious way to earn more is to open up your own salon. However, being good at the technical aspects does not necessarily give you the skills needed to run a business. Spas are more likely to be part of a hotel operation and able to access more general management skills, albeit not necessarily understanding of the needs of a spa.

In terms of training, hairdressers and barbers are more likely to have been trained through work-based learning, whereas beauty therapists and spa therapists will most likely have undertaken a full-time course at an FE college or private training school. Most nail technicians currently will have a beauty therapy background or will have trained with one of the manufacturers or suppliers.

British hairdressing and beauty therapy are recognised as the best in the world. With more than 500 million client visits each year, the sector frequently comes out top in consumer surveys for quality of customer service.

1.5 Financial Turnover

Salon business was worth more than £4.9 billion in 2005, of which beauty therapy is estimated at £904 million.[3] There is a continuing strong upward trend as spend on personal services continues to increase, with the latest figures from Consumer Trends suggesting that the figure for 2006 will be around £5.2 billion.[4] Growth is expected to continue in the sector and in the next 10 years almost all of the relatively high growth that is projected for the UK is for the personal services occupations.

The charts below show the growth of turnover in £millions for hairdressing salons and personal grooming establishments, and the average spend per household per annum. It also shows the spend on electrical appliances and products, which gives an indication of the possible additional revenue which could be generated by retail sales in salons.

Household final consumption Expenditure (£ million) 2001-2006				
Year	**Hairdressing salons and personal grooming establishments**	**Electrical appliances for personal care**	**Other products for personal care**	**Total spend**
2001	4,020	722	9,884	14,626
2002	4,222	950	11,272	16,444
2003	4,401	1,178	12,602	18,181
2004	4,645	1,427	13,486	19,558
2005	4,975	1,110	14,106	20,191
2006 (last 4 quarters 2005-6)	5,158	949	14,184	20,291

Source: Consumer Trends: ONS 2006

Average Expenditure per annum per household (£)	
Hairdressing and beauty treatments	161.20
Hair products & cosmetics	171.60

Source: Marketing Pocket Book[5]

[3] Source: Beauty Industry Survey 2005, Guild Press Ltd
[4] Consumer Trends: Office of National Statistics: Report to 3rd quarter, 2006
[5] Marketing Pocket Book 2006, The Advertising Association

1.6 Number of Businesses in the Hair and Beauty Sector

It is notoriously difficult to obtain data on the hair and beauty sector because the small sample sizes mean that Office for National Statistics does not usually separate them out.

Distribution of the number of businesses throughout the UK is shown below, derived from Experian in 2006 (1999 figures given in brackets). Although it is one of the best sources for the hair and beauty sector, the total number of businesses listed by Experian is an underestimate. Research by Guild Press Ltd shows that up to 12% of beauty businesses do not have a line listing in the Yellow Pages which is the primary source used by Experian for businesses not listed at Companies House. However, during the past year, this database itself shows an increase of well over 200 businesses (over 4%).

The Spa Business Association has 400 spas on its database. Nail Services is a new category, reflecting the growth of this industry. However, the specialist trade magazine, Scratch, has a paid-for distribution of over 17,000, many of which will be nail salons and freelance nail technicians, but many will also be beauty and hairdressing salons which offer nail services. Taking this into consideration, the hair and beauty sector may consist of close to 60,000 businesses.

No of Businesses listed by Experian database	Hairdressers inc. African Caribbean Hair	Barbers	Beauty Therapists	Nail Technicians	Health Spas & Resorts	Total
England 2006	**29,120**	**2,456**	**11,850**	**1,354**	**39**	**44,819**
(1999)	(23,293)	(4,684)	(5,404)	N/A	N/A	(33,381)
Scotland 2006	**32,22**	**260**	**1,142**	**76**	**4**	**4,704**
(1999)	(2,647)	(432)	(511)	N/A	N/A	(3,590)
Northern Ireland 2006	**1,421**	**125**	**539**	**16**	**0**	**2,101**
(1999)	(1,049)	(136)	(221)	N/A	N/A	(1,406)
Wales 2006	**1,941**	**126**	**523**	**66**	**2**	**2,658**
(1999)	(1,601)	(203)	(202)	N/A	N/A	(2,006)
Total 2006	**35,704**	**2,967**	**14,054**	1512	**45**	**54,282**
(1999)	(28,590)	(5,455)	(6,338)	N/A	N/A	(40,383)
% of Total 2006	**66%**	**5%**	**26%**	**3%**	**1%**	**100%**
(1999)	(71%)	(14%)	(16%)	N/A	N/A	

Source: Experian database

The figures show an overall increase of 34% for 2006 over 1999. This still includes a 46% reduction in the number of men's hairdressers and barbers listed, perhaps because they have diversified to become unisex salons. There has been a massive growth across all four nations in beauty therapy businesses over six years, totalling 220 % overall.

In March 2007, Habia undertook a small research project to try to derive more accurate statistics for the number of businesses. Searches were made in www.Yell.com for the number of businesses in a sample of 8 towns in each of the smaller nations, for each of the categories included in the Experian data. The results are set out in the table1.6.2 below.

Spa is clearly understated, evidenced by the very small numbers recorded. No entries were apparent, for example, for the very many hotel chains which have spas; the Yell.com category for "Health Spas and Resorts" would appear to exclude very large numbers of practitioners. The Spa Business Association has 400 spas on its database.

Nail Services is a new category, reflecting the growth of this industry. However, the specialist trade magazine, Scratch, has a paid-for distribution of over 17,000, many of which will be nail salons and freelance nail technicians, but many will also be beauty and hairdressing salons which offer nail services.

Table.1.6.2

Sample No of Businesses listed in Yell.com online (8 towns per nation sampled)	Hairdressers inc. African Caribbean Hair	Barbers	Beauty Therapists	Nail Technicians	Health Spas & Resorts	Total
Scotland	681	197	454	101	12	**1,445**
Northern Ireland	555	70	329	34	7	**995**
Wales	575	76	284	67	5	**1,007**
Total	**1,811**	**343**	**1,067**	**202**	**24**	**3,447**

Source: Habia research March 2007

Table 1.6.3 compares the totals from the Habia research into 8 towns per nation with those of the Experian database of all towns.

Table.1.6.3

Habia sample (Experian)	Hairdressers	Barbers	Beauty Therapists	Nail Technicians	Health Spas & Resorts	Total
Scotland (Experian)	681 (3,222)	197 (260)	454 (1,142)	101 (76)	12 (4)	**1,445 (4,704)**
Northern Ireland(Experian)	555 (1,421)	70 (125)	329 (539)	34 (16)	7 (0)	**995 (2,101)**
Wales (Experian)	575 (1,941)	76 (126)	284 (523)	67 (66)	5 (2)	**1,007 (2,658)**
Total (Experian)	**1,811 (6,584)**	**343 (511)**	**1,067 (2,204)**	**202 (158)**	**24 (6)**	**3,447 (9,463)**

The percentage of the very small sample to the total Experian result is an indication of the considerable understatement of business numbers. The most significant areas of the Habia research sourced more businesses in the sample of 24 towns than the total of the Experian database for nails (128%) and spa (400%). Barbering showed a sample result representing 67% of the total, and beauty therapists 49%. Only hairdressing produced results which would seem compatible with the Experian database (28%).

Similarly, analysis of the Yahoo business database revealed 37,335 unisex and ladies hairdressers across the UK i.e. within 10% of the Experian figure. However, there are 6,111 men's hairdressers listed which would be much more in line with expectations taking into account the 5,455 listed by Experian in 1999 and continued growth in this industry.

Taking these factors into consideration, the hair and beauty sector may comprise well over 60,000 businesses.

2. Industry Profiles

Table 2: INDUSTRY PROFILES

Variable	Beauty Therapy	Nail Services	Hairdressing	Barbering	Spa Therapy	African Caribbean Hair
Self-employed	50%	71%	8%	25%	1%	2%
Single salons	70%	21%	62%	79%	36% hotel spas	90%
Chain	13%	2%	15%	15%	30% day spa	5 other – no chains
Franchise	2%	1%	8%	2%	17% Destination spas	5%
< 5 employees	65%	29% (<4)	43%	86%	35% (4 -10)	13% (<4)
<10 employees	7%	8%	32%	3%	56% (20+)	81% (4 -10)
Diversification	Limited	Extensive	Extensive	Limited	Limited	Limited

Table 2 Commentary

This is a sector where micro-businesses predominate. Only in hairdressing and spa are there sizeable proportions of businesses with more than 10 employees.

It is possible that further diversification of services, especially in beauty therapy and barbering salons, could improve business profitability.

Respondents to the 2006[6] survey questionnaire were asked to identify the number of self-employed people in the business, for example chair-renters. It is probable that the figures for self-employment are under-stated across all sectors, since many freelance practitioners would not have been included in the Experian database. However, the 2007[7] survey of beauty, hairdressing and barbering indicated a marked 40% increase in the declared numbers of self-employed beauty therapists, and small increases in hairdressing (2%) and barbering (6%).

The 2007 survey also suggested a drop in the number of single salons: 23% in beauty therapy, 22% in hairdressing and 8% in barbering. This may reflect anecdotal evidence that chain and franchise operations continue to grow (total 8% in beauty, 7% in hairdressing and 4% in barbering).

These changes seem to chime with the latest figures from the Office for National Statistics. In their Labour Market Review for February 2007 there is a reported overall rise in self-employment of 1.5% across all occupations, including the service sector.

[6] Habia Survey: 2006
[7] Habia Survey 2007

3. Business Growth

Table 3: BUSINESS GROWTH						
Variable	**Beauty Therapy**	**Nail Services**	**Hairdressing**	**Barbering**	**Spa Therapy**	**African Caribbean Hair**
Report the same or more staff employed than the previous year	79%	72%	68%	87%	91%	85%
Expect to employ the same or more staff during the next 12 months	82%	100%	77%	91%	100%	90%
Report the same or increased client spend over last year	61%	75%	73%	86%	*	*
Expect the same or increased client spend during the next 12 months	67%	94%	70%	81%	*	*

* No data available

Table 3 Commentary

All sectors are apparently buoyant. They continue to declare increases in current staffing and in client spend over the past 12 months, and have high expectations of this as a continuing trend for the next year.

There is a marked change when comparing the 2005 and 2007 survey results. The 2007 surveys of hairdressing, barbering and beauty all reveal falls in expectation of growth in staff numbers for the next year (beauty: 14%; hairdressing: 18%, and barbering: 3%).

Confidence in increased client spend is again significantly lower than declared in the 2005 surveys. 15% fewer barbering, 27% fewer hairdressing and 32% fewer beauty respondents anticipated the same or increased client spend over the next 12 months.

This apparent decrease in confidence is matched by reports from manufacturers and members of Habia forums that the rate of increase in sales of wet products to salons had fallen from 10% growth to 6% for the third quarter of 2006. However, the overall level of confidence is still high.

4. Rates of Pay[8]

Table 4a: RATES OF PAY: GROSS WEEKLY			
Employment Pattern	**Average Gross Weekly Pay (Mean in £)** **Hairdressers and Barbers**	**Average Gross Weekly Pay (Mean in £)** **Beauticians and Related Occupations**	**Average Gross Weekly Pay (Mean in £)** **All Hairdressing and Related Occupations**
All	189.20	205.30	194.10
All: Full-time	249.20	269.30	255.90
All: Part-Time	125.40	129.50	126.70
All: Male	218.70	*	214.30
All: Female	184.80	205.30	192.10
Male: Full time	259.50	*	259.50
Female: Full-time	247.10	269.30	255.50
Male: Part-time	136.00	*	134.90
Female: Part- time	124.40	129.50	126.10

Table 4b: RATES OF PAY: GROSS HOURLY			
Employment Pattern	**Average Gross Hourly Pay (Mean in £)** **Hairdressers and Barbers**	**Average Gross Hourly Pay (Mean in £)** **Beauticians and Related Occupations**	**Average Gross Hourly Pay (Mean in £)** **All Hairdressing and Related Occupations**
All	6.47	6.98	6.64
All: Full-time	6.53	7.05	6.70
All: Part-Time	6.37	6.81	6.50
All: Male	6.48	*	6.45
All: Female	6.47	6.99	6.66
Male: Full time	6.67	*	6.67
Female: Full-time	6.49	7.05	6.70
Male: Part-time	5.82	*	5.78
Female: Part- time	6.43	6.85	6.57

* No data available

Tables 4a and 4b Commentary

Gross weekly earnings across the hair and beauty sector show an encouraging rise over the past year. This compares with the overall figures for the personal services sector, of average mean gross weekly earnings of £229.40, and an annual percentage rise of 3.3%.

[8] Annual Survey of Hours and Earnings (ASHE): ONS 2006

Hairdressing and barbering

There has been considerable movement in gross weekly earnings in the hairdressing and barbering industry, with an overall annual increase of 3.2% in full-time earnings, and 5.3% increase in part-time earnings.

The highest individual rise is shown as an 8% increase for part-time male workers. However, this is offset by a drop of 4.6% for males in full-time employment. Why this should be is not known.

The figures for female workers show increases of 4.6% full-time, and 4.8% part-time.

Beauty and related occupations

There are limited statistics available for the beauty sector. However, they do show that gross weekly earnings have risen by around7% across all full-time jobs; the highest rise being for full-time female workers, at around 8%.

Working Hours

The average basic full-time working week is 38 hours, and an average 20 hours part-time.[9] This compares relatively favourably with the average weekly hours for full-time workers across all industries, which remains at a record low of 37.1 hours. In the personal services sector, the average full-time working week is 37.5 hours.

[9] Annual survey of Hours and Earnings (ASHE): ONS 2006

5. Staffing and Recruitment Difficulties

Table 5: STAFFING AND RECRUITMENT DIFFICULTIES

Variable	Beauty Therapy	Nail Services	Hairdressing	Barbering	Spa Therapy	African Caribbean Hair
Female	98%	80%	77%	65%	72%	74%
Full-time	63%	41%	72%	80%	515	61%
Recruitment difficulties in all job categories, especially:	27% therapists 16% nail technicians	38% nail technicians and senior nail technicians	24% senior stylists 18% senior/junior stylists	29% barbers 10% apprentices	26% spa therapists 7% receptionists	8% A-C senior stylists
Staff Turnover	38%	93%	29%	39%	*	*
Overall vacancy rate	13%	20%	20%	23%	42%	*
Age	67% recruits aged under 26	One-third workers aged 16-24	83% recruits aged under 26	58% of recruits aged under 26	57% of staff aged 16-34	36% of staff aged 16-34
NMWhas impacted on business in the past 12 months**	23%	*	51%	11%	*	*

* No data available
** National Minimum Wage

Table 5 Commentary

The industries are female-dominated, though this year shows an increase of 12% males in hairdressing and 4% in barbering compared to 2005.

There has been slight decrease in the percentage of full-time staff (2%) in hairdressing. Beauty shows a slight rise in full-time employment (4%), while barbering has increased its full-time workforce by a significant 21%.

All industries continue to experience recruitment difficulties. There are significant skill shortages for all qualified posts.

Over half the hairdressing respondents to the 2007 survey said that the implementation of the National Minimum Wage (NMW) had impacted on their business. Of great concern is that although 52% are continuing to employ the same number or more employed status trainees, a third of employers reported that compared to 12 months ago they now employ fewer (30%) or none (3%). This is a huge shift in willingness to provide employed status placements and the implications for apprenticeships, and full time programmes will have to be monitored closely. This may lead to better retention because of greater involvement by employers in selection and induction or could lead to a shift from work based learning to work placements for full time students. The NMW had a much lesser impact (11%) on the barbering industry, and 43% of barbers had never taken on employed-status trainees.

In beauty therapy less than one-quarter of respondents said that the NMW had impacted on their business Over one-third did not engage employed-status trainees: this is not surprising in an industry which traditionally and currently continues to recruit staff from full time education.

The 2006 survey records a high staff turnover, though not in comparison to other sectors dominated by small and micro-businesses. The reasons are not identified, e.g. whether workers move to other employers in the sector, to self-employment, or leave the sector altogether. However, the increase in self-employment identified in the 2007 survey would indicate that this is now a significant factor (see Section 2).

Difficulties in recruitment and retention correlate with over reliance on recruitment of staff in the under 26 group and higher numbers staying on at school and progressing to university each year.

6. Training and Qualifications

Table 6a: TRAINING AND QUALIFICATIONS – Employer commitment

Variable	Beauty Therapy	Nail Services	Hairdressing	Barbering	Spa Therapy	African Caribbean Hair
Commitment to training in previous 12 months	Strong commitment to training - all job roles participating	Strong commitment to training - all job roles participating	Strong commitment to training - all job roles participating	Low commitment to training	Strong commitment to training - all job roles participating	Strong commitment to training - all job roles participating
Commitment to training for the next 12 months	Decrease in training levels expected	Decrease in training levels expected	Decrease in training levels expected	Decrease in training levels expected	Decrease in training levels expected	Decrease in training levels expected
Have a training budget	30%	*	56%	17%	*	*
Have a written training plan	35%	*	43%	13%	*	*
% of staff currently holding qualifications relevant to job role	89%	97%	89%	82%	84%	90%
% of staff offering technical services holding N/SVQ Level 3 or equivalent	66%	22%	53%	85%	58%	40% Hair 33% Barbering

* No data available

Table 6b: TRAINING AND QUALIFICATIONS - Barriers to training						
Variable	**Beauty Therapy**	**Nail Services**	**Hairdressing**	**Barbering**	**Spa Therapy**	**African Caribbean Hair**
Cost in £ to employer	68%	*	61%	52%	*	*
Cost of time out of salon	41%	*	41%	23%	*	*
Poor quality of available training	16%	*	18%	48%	*	*

* No data available

Table 6a and 6b Commentary

All sectors are responsive to engagement in training. However, there is a predicted decrease in training planned for next year across all industries, including hairdressing and barbering, which had previously anticipated a slight increase.

The Habia 2007 survey of hairdressing, barbering and beauty revealed that only in hairdressing were there a significant number of employers who had either a training budget or a written training plan, though across all sectors there were claims of high qualification rates among employees. This may reflect the high degree of involvement in work based learning in the hairdressing industry and application of training and development procedures acquired by work based trainers and assessors to the whole business.

When asked to identify barriers to training, the most common responses were the monetary cost to the employer, time out of salon, and the poor quality of training available. More detailed questioning revealed that employers rated training from private training providers and manufacturers more highly than that delivered through further education establishments. The reasons given were varied but there was a consistent focus on the very limited contact time available to college lecturers to teach the wide range of practical skills needed to be a professional hairdresser. Commonly this is 16 hours per week, but can be as low as 12 hours.

7. Technical Skills Gaps

Table 7: TECHNICAL SKILLS GAPS						
Variable	**Beauty Therapy**	**Nail Services**	**Hairdressing**	**Barbering**	**Spa therapy**	**African Caribbean Hair**
Technical Skills Gaps	18% laser/IPL hair removal - 18% nail art 16% micro-dermabrasion 13% cellulite programmes *Other skills shortages:*** 15% ear candles 15% stone therapy 15% teeth whitening	29% airbrushing 22% gel nail systems 20% wrap nail systems *Other skills shortages:* 15% self tanning 12% Indian head massage 12% make-up services 11% eyelash perming	28% Indian head massage 28% hair extensions 21% plaiting and braiding 19% chemical straightening *Other skills shortages:** 11% artificial nails	41% shaving 23% face massage 17% scalp massage 15% relaxing	8% spa cuisine: plan to offer using existing staff *Massage skills gaps:* 27% hot stone therapy 22% shiatsu/ acupressure 18% Thai massage Also Ayurvedic and sports massage *Other skills shortages:* 21% laser/IPL hair removal 13% non-surgical facelifts	60% background knowledge of the skin and hair 15% each for plaiting/braiding, lacing and cap weaving *African Caribbean Barbering:* 30% creating 2D and 3D patterns in hair 25% facial treatments including massage *Main hair extension skill shortages:* 25% lacing 25% wigs *Other skills shortages:* 30% beauty therapy treatments 30% Indian head massage 25% artificial nails 25% natural nails

Table 7 Commentary

All sectors indicated the need for further training in technical skills. The range of reported skills gaps are indicative of the diversity of services demanded by clients, and the changing nature of these demands. The skill gaps suggested in the 2007 surveys into hairdressing differ from those in 2003.

The range of skills gaps also demonstrate the increasing practice of diversifying into related industry areas, e.g. nails technicians undertaking eyelash perming and makeup services, and hairdressers providing nail services.

The technical skills gaps in the barbering sector reflect the increasing demand for traditional shaving services.

8. Business Skills Gaps

Table 8: BUSINESS SKILLS GAPS

Variable	Beauty Therapy	Nail Services	Hairdressing	Barbering	Spa therapy	African Caribbean Hair
Business Skills Gaps* **	64% improving selling skills 62% marketing 59% business planning 48% business finance 36% public relations 35% health & safely 35% client care 33% employment law 33% government training programmes 32% IT	64% increasing retail sales 58% business planning 49% marketing and PR	52% marketing 50% business planning 44% improving selling skills 41% public relations 38% employment law 38% government training programmes 36% business finance 36% client care 33% health & safety	46% improving selling skills 46% government training programmes 37% marketing 35% client care 35% public relations 33% employment law 32% health & safety	70% increasing retail sales 44% business planning 44% information technology 44% improving client care	60% understanding government training programmes 55% marketing and PR 55% understanding employment law 50% business planning 50% increasing retail sales

*** Responses recording over 30% skills gap only included in this chart

Table 8 Commentary

All sectors indicated a significant need for further training in a range of vital business skills, covering understanding of health and safety, employment law, government training programmes, as well as business planning and finance, marketing and PR.

Improving selling skills continues to be a priority common to all sectors, with the exception of hairdressing, where this skill has dropped by 19% to third priority position from 2005.

A significant high level requirement (over 50%) in beauty therapy and hairdressing is business planning.

Marketing and public relations continues to be an important need, with around one-quarter more businesses than previously reporting this skills gap in beauty therapy and hairdressing, and 37% of barbers reporting this for the first time.

Barbers also report another new skill requirement: 46% said their business would benefit from more knowledge of government training programmes.

9. Use of IT

Table 8: USE OF IT

Variable	Beauty Therapy	Nail Services	Hairdressing	Barbering	Spa therapy	African Caribbean Hair
Computer use in business	* (47%)	84%	51% (44%)	35% (17%)	100%	15%
Email use in business	* (30%)	78%	28%	15%	100%	55%
Web access in business	*	79%	*	*	96%	40%

* No data available. (2003 figures in brackets)

Table 9 Commentary

Use of IT in business is high in the nail and spa industries and computers are used in the majority of spas for booking clients and storing client records. It is popular to use email as a communication tool in these industries and to access websites on the Internet.

Many salons continue to use paper bases systems for appointments and client records. However, several suppliers have improved or included appointments systems in their software and this may be one reason why computer use has risen in hairdressers and barbers businesses since 2003 as shown by the percentages in brackets. The planned use of IT was not investigated in these industries but the figures have implications for plans to use IT based learning or information solutions, and for communication with employers.

10. Engagement with Habia

Table 10: ENGAGEMENT WITH HABIA

Variable	Beauty Therapy	Nail Services	Hairdressing	Barbering	Spa Therapy	African Caribbean Hair
Aware of Habia	66%	66%	72%	38%	48%	63%
Willingness to assist in future research	91%	95%	84%	86%	78%	85%

Table 10 Commentary

These figures give an indication of relative awareness of Habia between the industries in scope. Broadly, they reflect of the take up of qualifications (e.g. barbering relatively low) and how long Habia has been working with a particular industry (e.g. spa is the most recent).

There is a willingness among respondents to assist Habia with further research. It is encouraging that new salon contacts, who had not previously been aware of Habia, indicate their willingness to be involved in the future.

Annex 1 Habia Role and Responsibilities

Habia – Standards Setting Body for the Hair and Beauty Sector	Key Message
Habia has been a standards setting body for over 20 years and continues to contract with Government agencies for skills and standards work. There are over 43,400 businesses in this sector, employing an estimated 230,000 people in salons and spas, concessions within other businesses and as self-employed practitioners. Total turnover for the industry is £4.7 billion per annum.	SSB 20 year track record 40,000 businesses 230,000 workforce £4.7 billion turnover per annum
Footprint	
The hair and beauty sector is increasingly segmented. Habia standards and learning frameworks cover hairdressing, beauty therapy, nail services, spa therapy, barbering and African-Caribbean hairdressing and barbering.	6 distinct industries in the hair and beauty sector
Employer Led, Customer Driven	
Habia is a not-for-profit company limited by guarantee and turning over a projected £2.5m in 2006-7. Habia has 35 staff based at the headquarters in Doncaster led by Chief Executive Officer Alan Goldsbro, with Development Managers in Wales and Scotland. Habia's Board of Directors is elected from the Habia UK Council, which itself is elected from the wider Habia membership. The Board members include senior representatives from industry associations, suppliers and major salon and spa groups who operate business outlets and have members across all four nations. Habia activities are steered by a forum for each industry within the Habia footprint, plus collective forums in Wales, Scotland and Northern Ireland.	Not for profit organisation £2.5m turnover 35 staff Representative forums and board
Highly Qualified Workforce	
The first Level 2 National Occupational Standards were developed by Habia for Hairdressing in 1984. Habia has held an extremely successful strategic partnership with City & Guilds ever since. NVQs/SVQs have been the recognised route to competence in the sector ever since – over 80% of hairdressers are qualified for their job and over 96% of beauty therapists. Hairdressers are six times more likely to hold a recognised professional vocational qualification than workers in any other sector – University of Westminster report 2000/2001. There are more awarding bodies than ever servicing the sector. Habia works with them all but continues its close relationship with City & Guilds.	Majority of workforce qualified Long term strategic partnership with City & Guilds

Habia–Standards Setting Body for the Hair and Beauty Sector	Key Message
World Class Standards	
For the past 15 years, Habia has worked with partners right around the globe to raise standards and promote good practice. The position that UK hairdressing and beauty holds internationally means there is constant interest from across the world. Habia acts as a catalyst in bringing like-minded organisations together for business and training, arranging student and salon exchanges, talking to government on issues such as visas and promoting the work of UK hairdressers and beauty therapists overseas.The UK hair and beauty industries are held in high regard internationally for their creativity and high standards, which is a reflection of individual talent and the education and training system that helped develop some of the UK's biggest names. UK qualifications and the standards they are based on are in huge demand, leading to international licensing arrangements and the development of Habia International Qualifications (HIQs) for the overseas markets. Income from overseas activities supports UK developments.	International Licensing Habia Partners use Habia standards under licence in Spain (plus Latin America and Spanish speaking schools in USA), Italy, Japan, Malta, Ecuador, Mexico, Singapore and USA. China from later in 2006 Equivalences agreed with Australia, New Zealand, Canada, USA, South Africa and South Korea. Income invested in UK
One Stop Shop Solutions for Education and Training	
Habia publication sales account for a third of Habia's turnover by offering what customers want and need. Habia provides the widest range of learning materials available anywhere, covering all aspects of the hair and beauty sector. The suite of textbooks published in partnership with Thomson Learning are the bibles for learners whether new entrants or practitioners updating and extending their skills. Habia's own Learning Support Packs provide solutions for lecturers, while its implementation Packs help salon owners meet legislative requirements in e.g. health & safety and employment law.	**Market-led solutions– mail order or webshop** **Thomson Learning partnership** **Education and learning DVDs, books, videos.**

Habia– Standards Setting Body for the Hair and Beauty Sector	Key Message
Excellent Sector Communications	
To reach busy business people, you need to speak the same language. Habia's skills teams are working professionals with an in-depth knowledge of training and education. They work on stage around the UK at trade exhibitions, roadshows, conferences and bespoke events, demonstrating the latest technical skills and explaining how they relate to standards and qualifications. Supported by comprehensive and structured marketing campaigns led by Habia working with the sector shakers and movers, messages effectively reach target audiences. Habia's careers leaflets won the top award for all SSC/SSB publications in Scotland. Free trade press coverage is unequalled by any other sector organisation. Habia also publishes a twice-a-year full colour magazine with a circulation of just over 15,000. Habia's website contains 300 unique pages of information and downloads. There is also a talkboard section for industry professionals and educators to interact directly with Habia and each other, adding to Habia's two way symmetrical communications with its key stakeholders and increasing sector involvement in Habia projects. For more information, contact Mark Phillips, Communications Manager, and register for free information at www.habia.org.	Habia Skills Teams on stage MarComms Campaigns Award winning careers materials Habia News – circulation 15,000 Visit website and talkboards at www.habia.org
Lead Authority Health and Safety	
Launched for the first time with a sector organisation, Habia is working in partnership with Doncaster Council to co-ordinate consistent advice and guidance for all 424 Local Authorities on health and safety issues for the whole hair and beauty sector. Our Salon Health & Safety Awards have been running for many years, based on the Habia Health & Safety Implementation Pack – a guide to the 17 key pieces of legislation that impact on running a salon. Habia is also collaborating with the Health & Safety Executive and National Hairdressers' Federation on a campaign to reduce incidence of occupational dermatitis.	Co-ordinate H&S guidance across UK Salon H&S Awards H&S Implementation Pack HSE collaboration

Annex 2 Industry Descriptions

Industry	Typical Activities	Business type
Hairdressing	Services cover maintenance and styling of hair to meet client's requirements, including cutting, styling, colouring, perming, dressing and adding extensions.	Over 80% are single salon businesses with some national, regional and franchise operations. 32% of businesses employ more than five staff.
Beauty Therapy	Treatments to enhance appearance, well-being, relaxation or uplift. Treatments include manicure, pedicure, make up, waxing, massage, electrotherapies, electrolysis. Paramedical treatments, e.g. laser hair removal, injectables to reduce wrinkles, and holistic therapies, are offered through beauty salons by specialist practitioners.	Predominantly micro-businesses. A significant number operate as concessions within other businesses e.g. hairdressing salons, hotels, health and fitness clubs
Barbering	Services mainly for men's hair, including traditional cutting, clippering, shaving and face/head massage techniques as well as a range of general hairdressing services e.g. colouring, perming.	Predominantly micro-businesses. Over 80% are single salon businesses with some regional and national chains employing five or less staff.
Nail Services	Services to enhance the appearance of the nails, hands and feet including basic manicures and pedicures, nail enhancements (gels, acrylics and wraps) and nail art (stencil, freehand, air brushing).	The majority are self-employed nail technicians (86%) or businesses employing less than four staff (29%).
Spa Therapy	Spa therapy services to improve the appearance of face and body, and enhance health and wellbeing, characterised by water based treatments. These include heat and wet treatments, hydrotherapy, flotation, steam, sauna and jacuzzi. Destination and resort spas offer accommodation and there are often nutrition and fitness specialists employed.	A sizable proportion of businesses employ more than 20 people (56%). Businesses can be categorised as day spa, resort spa, medi-spa, destination spa, salon spa or located within a hotel or fitness club.
African Caribbean Hair	General and specialist hairdressing and barbering techniques for African type hair, including chemical relaxing, thermal styling, plaiting, weaving and locing. There is a growing market for natural (non-chemical) services.	Predominantly single salon businesses (90%) employing between four and 10 people.

Annex 3 Portfolio of National Occupational Standards (NOS) and NVQs/SVQs

NOS	Level
Hairdressing	1, 2, 3
Beauty Therapy	1, 2, 3, 4*
Barbering	2, 3
Nail Services	2, 3
Spa Therapy	3
African Caribbean Hair	1, 2, 3

*Beauty Therapy Level 4 NOS are used in vocationally related qualifications rather than NVQs/SVQs

Habia National Occupational Standards are available for free download from the NOS Directory at www.ukstandards.org.uk

Annex 4 Portfolio of Learning Frameworks

Industry	*Frameworks*			
	England	**Scotland**	**Wales**	**Northern Ireland**
Hairdressing	Young Apprenticeship in Hairdressing (YA) Apprenticeship in Hairdressing Advanced Apprenticeship in Hairdressing Sectoral Framework for Foundation degrees (Fd) in Hairdressing Salon Management	Modern Apprenticeship in Hairdressing (MA)	Foundation Modern Apprenticeship in Hairdressing (FMA) Modern Apprenticeship in Hairdressing (MA)	Traineeship in Hairdressing Modern Apprenticeship in Hairdressing (MA)
Beauty Therapy	Apprenticeship in Beauty Therapy Advanced Apprenticeship in Beauty Therapy Sectoral Framework for Foundation degrees (Fd) in Beauty Therapy Salon Management	Modern Apprenticeship in Beauty Therapy (MA)	Foundation Modern Apprenticeship in Beauty Therapy (FMA) Modern Apprenticeship in Beauty Therapy (MA)	Traineeship in Beauty Therapy Modern Apprenticeship in Beauty Therapy (MA)
Barbering	Apprenticeship in Barbering Advanced Apprenticeship in Barbering	Modern Apprenticeship in Barbering (MA)	Foundation Modern Apprenticeship in Barbering (FMA) Modern Apprenticeship in Barbering (MA)	Traineeship in Barbering Modern Apprenticeship in Barbering (MA)

Annex 4 Portfolio of Learning Frameworks cont/.

Industry	*Frameworks*			
	England	**Scotland**	**Wales**	**Northern Ireland**
Spa Therapy	Advanced Apprenticeship in Spa Therapy (to be approved by AAG) Sectoral Framework for Foundation degrees (Fd) in Spa Management (pending approval by Fdf)	Modern Apprenticeship in Spa Therapy (MA)	Modern Apprenticeship in Spa Therapy (MA) (to be approved by AAG)	Modern Apprenticeship in Spa Therapy (MA) (to be developed)
Nail Services	Apprenticeship in Nail Services Advanced Apprenticeship in Nail Services	Modern Apprenticeship in Nail Services (MA)	Foundation Modern Apprenticeship in Nail Services (FMA) Modern Apprenticeship in Nail Services (MA)	Traineeship in Nail Services Modern Apprenticeship in Nail Services (MA)
African Caribbean Hair **(currently within the hairdressing frameworks)**	Young Apprenticeship in Hairdressing (YA) Apprenticeship in Hairdressing Advanced Apprenticeship in Hairdressing Sectoral Framework for Foundation degrees (Fd) in Hairdressing Salon Management	Modern Apprenticeship in Hairdressing (MA)	Foundation Modern Apprenticeship in Hairdressing (FMA) Modern Apprenticeship in Hairdressing (MA)	Traineeship in Hairdressing Modern Apprenticeship in Hairdressing (MA)

Annex 5 Employability Skills Needed in the Hair and Beauty Sector

Willingness to Learn	Teamwork	Flexible working	Customer care	Positive attitude	Personal ethics	Self management	Creativity	Communication	Leadership
Drive and commitment	Respect and consideration for others	Ability to multi-task	Respect and consideration for others	Drive and commitment	Honesty	Able to overcome difficulties and setbacks	Innovative	Good social skills	Problem solving. Able to analyse situations and identify ways forward.
Actively seeks to improve	Adaptability	Adaptability	Tolerant nature	Patient, tolerant	Good sense of timeliness	Ability to self-assess	Actively seeks new challenges	Listening skills	Obtaining feedback
Enquiring and curious mind	Empathy towards others		Social sensitivity and awareness	Good sense of humour	Social/cultural sensitivity and awareness	Able to cope with pressure and stress	Ability to inspire others	Verbal communication skills	Willingness to recognise achievements of others
Good work ethic	Able to take constructive criticism		Empathy towards others	Able to overcome difficulties and setbacks	Good work ethic	Organised		Non verbal communication skills	Giving feedback
Dedication to continued learning	Problem solving		Problem solving	Able to take constructive criticism	Reliable	Sets own standards		Obtaining feedback	Can influence and persuade others
Research skills	Giving feedback		Obtaining feedback			Can manage own learning		Giving feedback	Actively seeks new challenges
Actively seeks new challenges	Obtaining feedback		Giving feedback			Prioritising own activities		Networking with others	Helps and supports others
Study skills	Helps and supports others		Managing conflict			Evaluation skills			Setting objectives
Setting objectives	Works cooperatively with others		Negotiation skills			Monitoring and review of own work			Networking with others
	Motivating others					Managing time			Able to inspire others
	Negotiation skills					Setting objectives			Dedication to continued learning
						Problem solving			Motivating others
						Obtaining feedback			Teambuilding
						Planning skills			Delegation
						Career management			Thinking strategically
						Managing conflict			Managing conflict and negotiation skills

Source: Habia Vision Workshops 2005 – Research for the Sector Qualifications Reform Programme

Annex 6 References

Data from Experian quoted with permission of Experian contact 08700 12 1111 or E-mail: nbd@Experian.uk.com Website: www.Experian.co.uk/business

Labour Market Overview: February 2007: Office of National Statistics

Consumer Trends: Office of National Statistics: Report to 3rd quarter, 2006

Beauty Industry Survey 2007 Guild Press Ltd

Happiness Index 2006, City & Guilds

Marketing Pocket Book 2006, The Advertising Association

Consumer Trends 2006, Office for National Statistics

Annual survey of Hours and Earnings (ASHE): ONS 2006

Working Futures 2004-14, SSDA

Habia Reports

The following Habia reports can be downloaded from www.habia.org

Skills Survey for the Hairdressing Industry 2007
Skills Survey for the Barbering Industry 2007
Skills Survey for the Beauty Industry 2007

Skills Foresight for the Hair and Beauty Sector 2006
Skills Survey for the African Caribbean Hair Industry 2006
Skills Survey for the Spa Therapy Industry 2006
Skills Survey for the Nail Services Industry 2006

Training to Succeed Summary 2005
Training to Succeed Final Report 2005

Skills Foresight for the Hair, Beauty and Body Art Industries 2004
Skills Survey for the Hairdressing and Barbering Industries 2004
Skills Survey for the Beauty Therapy Industry 2004
Labour Market Intelligence in the Hairdressing Industry In Wales 2004

Skills Foresight for the Hairdressing and Beauty Therapy Industries 2002
Skills and Training in the Scottish Enterprise Region–Report of Telephone Survey 2002
Habia Action Plan for Providers in Scotland 2002
Identifying Barriers to Hairdressing and Beauty Therapy Training in the Highlands and Islands Region 2002

Executive Summary of an Occupational Analysis for the Hairdressing Sector 2001
Full Report of an Occupational Analysis for the Hairdressing Sector 2001
Executive Summary of an Occupational Analysis for the Beauty Therapy Sector 2001
Full Report of an Occupational Analysis for the Beauty Therapy Sector 2001