

A large, abstract graphic composed of numerous overlapping, flowing blue lines that create a sense of movement and complexity, resembling a stylized 'S' or a series of interlocking loops.

RAISING SECTOR SKILL LEVELS – HOW RESPONSIVE IS LOCAL TRAINING SUPPLY?

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Raising sector skill levels: how responsive is local training supply?

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Sector Skills Development Agency: Research Series

Foreword

In October 2002 the Department for Education and Skills formally launched Skills for Business, a new UK-wide network of employer-led Sector Skills Councils (SSCs), supported and directed by the Sector Skills Development Agency (SSDA). The purpose of Skills for Business is to bring employers more centre stage in articulating their skill needs and delivering skills-based productivity improvements that can enhance UK competitiveness and the effectiveness of public services. The remit of the SSDA includes establishing and progressing the network of SSCs, supporting the SSCs in the development of their own capacity and providing a range of core services. Additionally the SSDA has responsibility for representing sectors not covered by a SSC and co-ordinating action on cross cutting and generic skills issues.

Research, and developing a sound evidence base, are central to the SSDA and to Skills for Business as a whole. It is crucial in: analysing productivity and skill needs; identifying priorities for action; and improving the evolving policy and skills agenda. It is vital that the SSDA research team works closely with partners already involved in skills and related research to generally drive up the quality of sectoral labour market analysis in the UK and to develop a more shared understanding of UK-wide sector priorities.

The SSDA is undertaking a variety of activities to develop the analytical capacity of the network and enhance its evidence base. This involves: developing a substantial programme of new research and evaluation, including international research; synthesizing existing research; developing a common skills and labour market intelligence framework; taking part in partnership research projects across the UK; and setting up an expert panel drawing on the knowledge of leading academics, consultants and researchers in the field of labour market studies. Members of this panel will feed into specific research projects and peer review the outputs; be invited to participate in seminars and consultation events on specific research and policy issues; and will be asked to contribute to an annual research conference.

The SSDA takes the dissemination of research findings seriously. As such it has developed this dedicated research series to publish all research sponsored by the SSDA and results are being made available in both hard copy and electronically on the SSDA website.

Lesley Giles
Head of Research at the SSDA

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Detailed employer responses to telephone survey available from:
<http://www.ssda.org.uk/ssda/default.aspx?page=41>

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EXECUTIVE SUMMARY

1. In this study we seek to shed new light on the extent and nature of any mismatches between employers' training requirements and local vocational and educational training (VET) provision. We have made use of an innovative methodology which proceeded in two stages:
 - A telephone survey of establishments in selected sectors and regions, designed to capture in finer detail than hitherto available the extent and nature of employers' current skill improvement and updating needs (conducted in June and July 2004)
 - Interviews with staff in colleges and training providers in the same regions to discuss the survey findings on local employers' training requirements, and then to probe the extent to which these providers are already catering to those requirements and the nature of any constraints which may be impeding them from doing so (conducted between September and December 2004).
2. The survey covered employers in four sectors and eight regions which were chosen for diversity:
 - Maintenance and repair of motor vehicles: Devon and Cornwall, Greater Manchester
 - Telecommunications services: London West, Berkshire, Hampshire; Greater Merseyside, Greater Manchester, Cheshire and Warrington
 - Mechanical engineering, vehicles and other engineering: Black Country, Hampshire and Isle of Wight
 - Textiles, clothing and footwear manufacture: Leicestershire, West Yorkshire
3. In all four sectors large majorities of establishments reported that the skills needed by core groups of employees were expected to change over the next 12 months. Detailed follow-up questioning shed considerable light on the nature of these changing skill requirements. For example, the sought-after improvements in technical skills centred in vehicle maintenance on diagnostics, electronics and keeping up to date with new technology. In the other three sectors updating in the use of new technology also featured alongside sector-specific technical skills such as improved product knowledge and electrical installation and cabling in telecoms services; machine-setting and specialised programming in mechanical engineering; and use of standard programmes and adaptation to new software in textiles, clothing and footwear. The survey results also permitted a close monitoring of the extent to which technical skill upgrading needs overlap with required improvements in the skills required to communicate effectively with customers and work colleagues and in leadership and supervisory skills.
4. Only minorities of establishments in each sector expected to call on the services of further education (FE) colleges or commercial training providers in order to help meet their skill upgrading needs. They were much more likely to rely on their own resources or – in all sectors except textiles -- make use of training services provided by machinery or equipment suppliers. The main reasons cited for not making more use of colleges and commercial training providers were the

perceived lack of relevance of their courses to companies' training needs and expected costliness.

5. These reservations did not appear in the main to be based on past negative experiences of using college and training provider services. Indeed, most establishments which had used external training suppliers in the past gave positive evaluations of their effectiveness. However, the majority of employers simply believed that colleges and many commercial providers were unlikely to be able to help them update their workers' skills. The reactions of many college and training provider interviewees to the survey results showed that there is in fact some justification for these beliefs.
6. The bulk of skill upgrading needs identified in the survey related, firstly, to adult employees and, secondly, to gaps in skills which could be filled through reasonably short courses of training. The majority of FE college departments interviewed for the study were not well placed to commit resources to the preparation of training needs analyses and training plans for local employers or indeed to deliver much of the training that was apparently needed.
7. The departments' stated first priority was to deliver courses, usually 12 months or more in duration, that led to accredited qualifications that would attract Learning and Skills Council (LSC) funding. Although some examples of adult participation in these courses were found, most of the provision was for 16-20 year olds at the beginning of their careers. Most teaching staff were fully engaged in delivering these LSC-funded courses and were therefore not available for short course preparation or delivery. In addition, several department managers reported that efforts to provide updating training would be hampered by out-of-date equipment and gaps in the FE teachers' own skills and knowledge.
8. Where FE departments did have experience in providing short training courses for local employers, these relationships tended to be with large companies who could put forward a sufficient number of trainees to justify the departments' efforts in developing the courses. There was reluctance to invest time in developing relationships with small and medium-sized enterprises (SMEs) who could only offer small numbers of trainees and who were seen as unlikely to be willing to pay the full costs of training in any event.
9. Many commercial training providers were also strongly wedded to LSC funding requirements and to beginning-of-career training. However, partly as a result of the entrepreneurial skills required for some of these organisations to survive in the changing market for training over recent decades, several training providers had already developed the capacity to work with local employers to meet their adult employees' skills updating needs. This was particularly true in regions where the local industry had been relatively buoyant for some time (for example, mechanical engineering in southern England) or in sectors such as telecoms services where keeping up to date with rapidly-changing technologies and products is a pre-condition for commercial survival.
10. The majority of these training relationships were confined to large companies for similar reasons to those advanced by FE department managers: SMEs did not

provide opportunities for economies of scale and were less likely to be willing to pay for full-cost training courses. However, there were some examples of SMEs being brought together through joint membership of training associations which sought to identify the commonalities among their many different training requirements.

11. In spite of some positive examples of vocational and educational training (VET) provision that meets local employers' skill upgrading needs, the central conclusion that emerges from the study for all four sectors is that significant gaps exist in training provision, in particular, in short courses designed to update the skills of adult employees and particularly adult employees in SMEs. Given the diversity of the four sectors in question, it would not be surprising to find that these gaps are in fact widespread across the UK economy, although further research would be required to establish this with certainty. Although the sectors share a common problem, it is also evident that the detailed nature of the skills required and the most appropriate solutions are different across the four sectors studied here. Each sector requires a different approach, building on the existing skills and qualifications of the sector, in order to surmount the specific barriers that it faces in meeting its skill upgrading needs.
12. The study's findings have important implications for Sector Skills Councils (SSCs), some of which are presently engaged in drawing up Sector Skills Agreements (SSAs) between employers and education and training suppliers. The detailed nature of the skills required and the most appropriate solutions clearly differ across the four sectors studied here. Each sector requires a different approach, building on the existing skills and qualifications of the sector, in order to surmount the specific barriers that it faces in meeting its skill upgrading needs.
13. In order to develop the labour market information base required by SSAs, we believe there is a strong case for more surveys of the present kind to be carried out in other sectors and regions. In the process of developing SSAs, some SSCs could make use of new survey information to negotiate with the LSC for new resources to be made available for short courses designed to meet the training needs of local employers.
14. The National Employer Training programme (NETP) which builds on the Employer Training Pilots (ETPs) has the potential to help meet some of the skill needs which have been identified, for example, upgrading the skills of operators and warehouse people who have good industrial experience but very few formal qualifications. However, if its remit does not extend beyond the ETPs, its effectiveness is likely to be more limited, firstly, by not covering attendance on short focussed training courses which do not lead to formal qualifications; and secondly, by not being applicable to groups of employees whose skills may need upgrading but who already hold formal qualifications at NVQ2 level or above. (Although the recent White Paper 'Skills: Getting on in business, getting on at work' proposes trials of contribution to Level 3 training in two regions in England in 2006-07 and 2007-08, it is currently not clear if this will have a wider application). The results from this study alongside the evaluation material from ETP should feed into the future design of the national programme. Any final decisions as to whether the scope and workings of ETPs should be modified, as

they are rolled out to the National Employer Training Programme, must also be based on an assessment of the existing skills and qualifications of the sectoral workforce. SSCs already have responsibility for identifying priority training needs at NVQ3 level and above and this issue will no doubt be covered in SSAs. The Sector Skills Agreements will thus form another important input into policy development around NETP.

15. More information of the sector-specific kind produced through this study can help college departments and training providers to see more clearly what they could do – even with no changes in present resources or funding arrangements -- to meet local employers' training needs. For example, additional closely targetted funding such as that released to designated COVEs (Centres of Vocational Excellence) has helped several departments and training organisations to upgrade their equipment and prompted them to take a more pro-active approach to building relationships with employers. In some cases it has also motivated them to seek out additional non-LSC funding sources to support their short course training provision. Also, the growing numbers of union learning representatives are well placed to intermediate between colleges and employers, providing information to colleges about what local training needs are and to employers about what courses are locally available.
16. Thought also needs to be given to new incentives for SMEs to pool resources as subscriber-members and participants in collective training associations of different kinds. Without such policy innovations, large numbers of SMEs are likely to continue trying to 'get by' on their own without really addressing their skill upgrading needs -- and colleges and other training providers will continue to assume that, in the end, most SMEs are either unwilling or unable to pay the costs of training courses delivered outside the LSC funding system, thus perpetuating a 'vicious circle' based on existing and perceived attitudes and funding issues.
17. In future surveys of this kind, we suggest that less attention needs to be paid to the reasons employers have for either using or not using the services of external training suppliers. The present study has clearly shown that what counts in this respect is simply the perceived relevance and cost-effectiveness of what training suppliers have to offer. Future surveys should concentrate on delivering the sectoral information needed to influence training provision (whether in FE colleges, training providers or Higher Education) to improve performance on both these criteria.

This research report presents findings from a study into the training needs of employers who wish to upgrade the skills of their existing staff and the ability of local Vocational and Educational Training providers to respond to these needs. The National Institute of Economic and Social Research was commissioned to conduct this research by the Sector Skills Development Agency (SSDA), to help inform and fill in information gaps around 'Improving Learning Supply', a key area of work for the SSDA and the Skills for Business network as a whole.

1. Background

The White Paper *21st Century Skills: Realising our Potential* outlined a number of planned reforms which are designed to increase the responsiveness of further education (FE) colleges and training providers to employers' demand for enhanced workforce skills. These reforms follow a long period of criticism of the variable quality of training provision by colleges and commercial training organisations, for example, as expressed in the Cabinet Office Strategy Unit report *In Demand – Adult Skills in the 21st Century* (2001).

As recent guidance on effective employer engagement in post-16 learning makes clear, a number of positive examples of initiatives by colleges and training providers can now be identified which – in their specific contexts – go some way to addressing problems such as excessive bureaucracy and out-of-date content (Hughes, 2003). However, many colleges and training providers still have a long way to go to develop the types of training that will match employers' rapidly-changing skill requirements. For example, a recent survey of college principals identified weaknesses such as inflexible timetables and lack of industry-related skills among staff which were inhibiting greater responsiveness to employers' training needs (McCoshan and Otero, 2003).

A new OFSTED report offers a mixed assessment of the responsiveness of colleges to employers' training needs. About half of the 34 general further education colleges surveyed for the study 'undertake a significant amount of work with and for employers. In most cases this is relevant and well received.... General further education colleges... offer an extensive range of vocational courses which generally provides a satisfactory match to the needs of employers in their local area' (OFSTED, 2004:1). However, much of this training provision comprises courses which lead to qualifications recognised by the Qualifications and Curriculum Authority (QCA) and thus attract funding from the Learning and Skills Council (LSC). There is limited provision of training tailored to the needs of individual employers, in part due to 'barriers to flexibility such as those posed by rigid timetabling and lack of cover, inflexible teacher contracts, operation in term time only and the availability of staff with the right skills' (ibid: 3)

Analysis of data from the 2003 National Employers Skill Survey (NESS) shows that there is substantial variation between industries in the extent to which use is made of FE colleges for staff training.¹ Among manufacturing sectors, for example, as many as half of all establishments in building installation had used FE colleges for training purposes in the last 12 months; in mechanical engineering nearly four in ten establishments had done so (Figure 1). By contrast in publishing and in textiles, clothing and footwear the proportions of establishments making use of FE colleges for staff training were as low as 19% and 15% respectively.

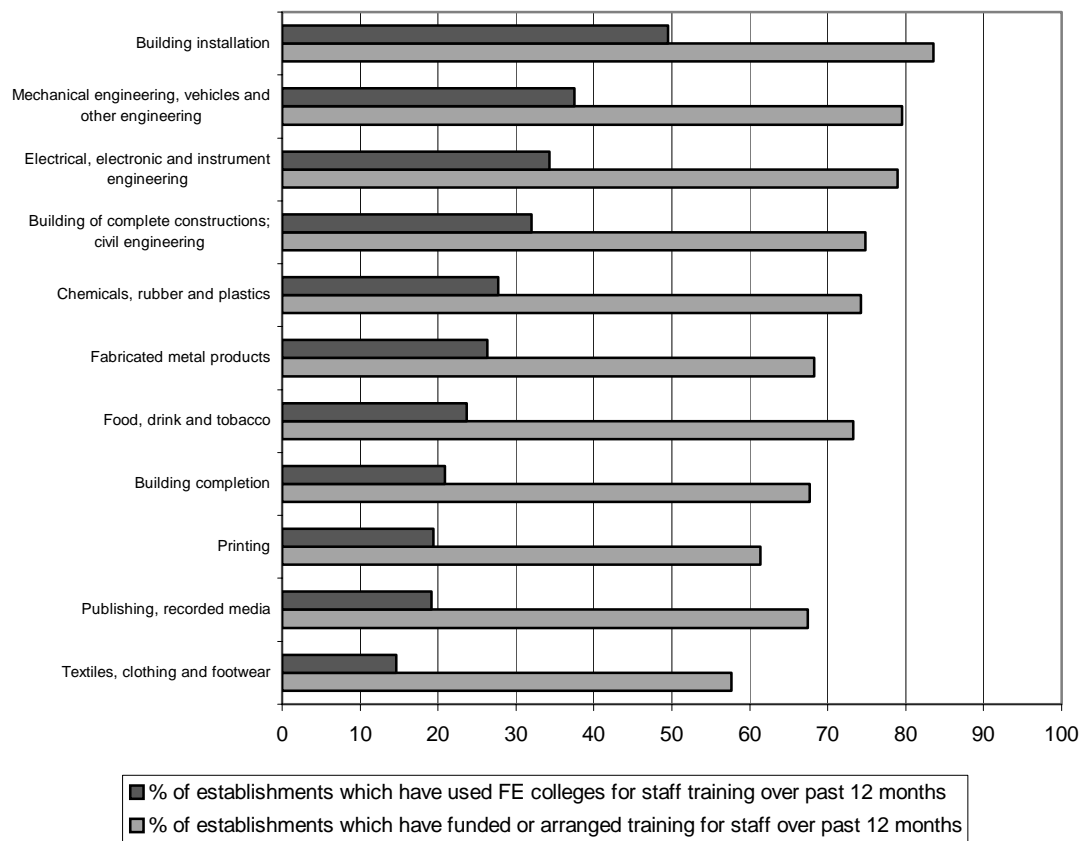
Among service industries, shown in Figure 2, the industries making greatest use of FE college training services were public sector-oriented (eg, education, social work and health – between 50-60% of establishments) and technical consultancy, testing and other related business services (43%). The lowest levels of involvement with FE colleges were in sectors such as transport services (13%) and specialised retailing (12%).

In all sectors the proportion of establishments making use of FE college training services is substantially below the proportions who funded or arranged employee training of one kind or another during the same 12 month period. The disparities between the two measures are greatest in service sectors such as banks and building societies in which some 93% of establishments arranged training of some kind but only 14% of them made use of FE college training services. Another example is telecommunications services in which 90% of establishments provided training but only 25% made use of colleges for this purpose.

Clearly, in organising training for their employees, employers have many other options besides colleges to turn to for training provision, including their own resources and the training services provided by many equipment and machinery suppliers. Table 1 shows that only minorities of establishments in each sector cited 'lack of suitable courses in my area' as a barrier to developing or maintaining a proficient team of staff. The proportions of establishments so responding ranged from 24% in mechanical engineering down to as few as 8% in banking.

¹ NESS 2003 covered 72,100 establishments in a nationally representative sample of employers in England. Figures 1-2 and Table 1 are based on a sub-sample of 54,063 establishments with five or more employees. As Forth (2003) showed in relation to Employers Skill Survey 2001, exclusion of micro-establishments with 1-4 employees permits a substantial degree of sectoral disaggregation while retaining confidence in the national representativeness of the sectoral sub-samples under consideration. This enables us to identify 46 sectors which, with a small number of exceptions, are all represented by 400 or more establishments with five or more employees. The exceptions are food, drink and tobacco; textiles, clothing and footwear; travel agents and tour operators; industrial cleaning; and telecommunication services -- which are represented by between 298-353 establishments. Greater caution is therefore attached to the estimates relating to these five sectors. For details of the definitions of the 46 sectors, see Annex 1.

Figure 1: Percentage of manufacturing and construction establishments
(1) making use of FE colleges for staff training and funding
(2) funding or arranging training for employees, analysed by sector

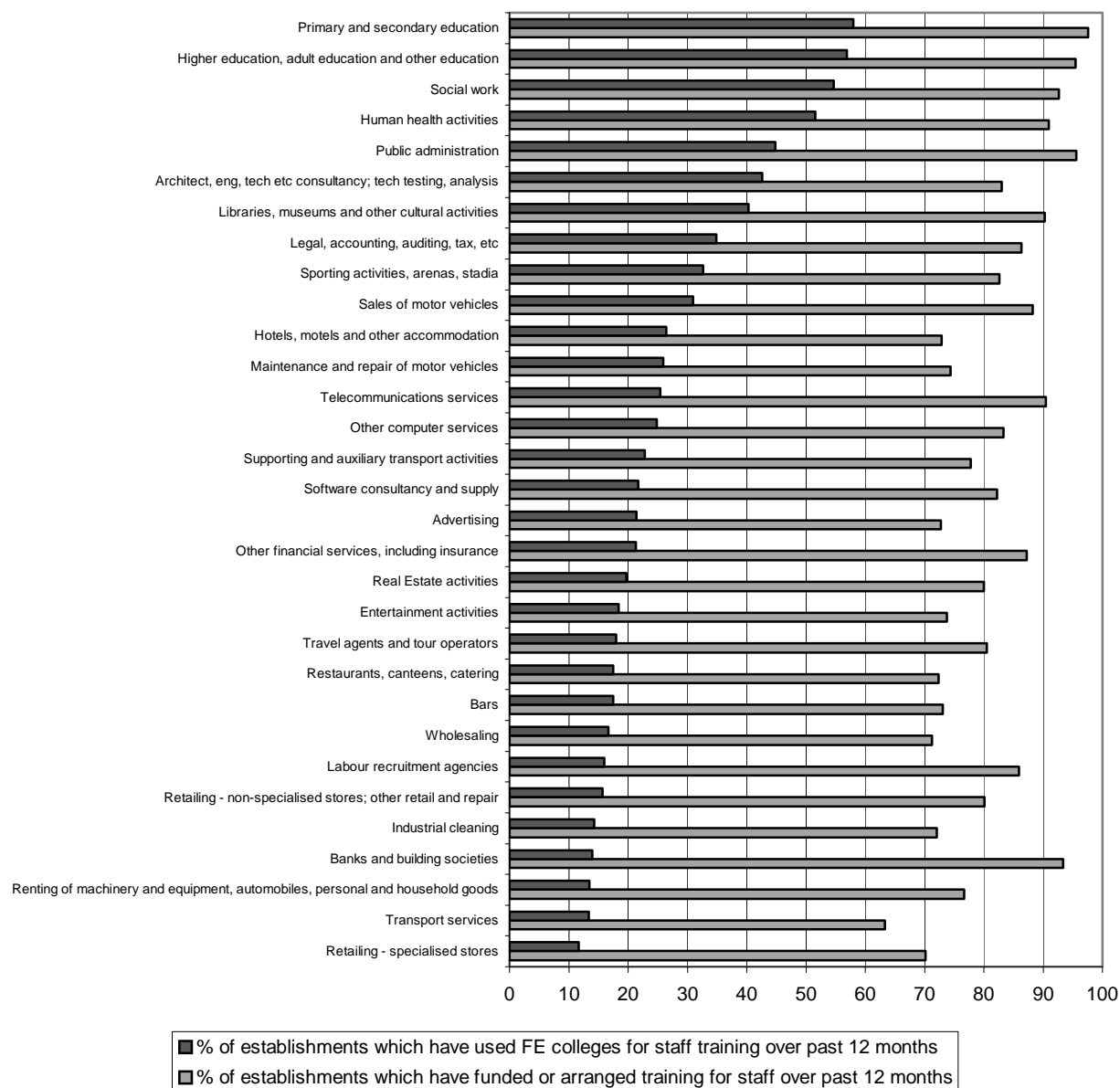


Source: National Employers Skill Survey 2003

Notes:

1. Refers to establishments with 5 or more employees
2. Estimates are establishment-weighted.

Figure 2: Percentage of service establishments (1) making use of FE colleges for staff training and funding (2) funding or arranging training for employees, analysed by sector



Source: National Employers Skill Survey 2003

Notes:

1. Refers to establishments with 5 or more employees
2. Estimates are establishment-weighted.

However, large proportions of establishments appear to have little contact with or knowledge of courses provided by colleges and other external training providers. Roughly half of all establishments with five or more employees said that they had not had any contact with colleges or other training providers in the last 12 months to discuss the courses they provided. The proportions saying this ranged from 39% in food and drink and 40% in mechanical engineering, building installation and chemicals up to 60% in telecoms services, 62% in transport services and 71% in banking (Table 1).

These low levels of interaction between employers and colleges and other external training providers are the basis for concern about potential mismatches between employers' skill upgrading needs and local provision of vocational education and training (VET). However, much of the discussion of the responsiveness of local training providers to employers' requirements takes little account of sectoral differences of the magnitude revealed by the NESS data. Furthermore, a lot of available survey information on just what those training requirements are tends to rely on very broad categories of skill such as 'technical and practical skills', 'communication skills' or 'problem-solving skills'.

In the present study we seek to shed new light on the extent and nature of any mismatches between employers' training requirements and local VET provision. We do so through an innovative methodology which proceeded in two stages:

1. A telephone survey of establishments in selected sectors and regions, designed to capture in finer detail than hitherto available the extent and nature of employers' current skill improvement and updating needs (conducted in June and July 2004)
2. Interviews with staff in colleges and training providers in the same regions to discuss the survey findings on local employers' training requirements, and then to probe the extent to which these providers are already catering to those requirements and the nature of any constraints which may be impeding them from doing so (conducted between September and December 2004).

Due to the variation in VET systems and funding regimes across the four nations of the UK, the study chose to focus on only one of the countries, England. This was done to facilitate the drawing of conclusions regarding the impact of VET funding procedures on provision. The approach was also consistent with the analysis of the NESS data which informed the selection of sectors – this survey covers England only.

The key research questions to be addressed by the study were defined as follows:

1. In four selected sectors, what do employers believe are the main skills upgrading requirements for the occupation groups which are deemed to be most 'critical' to their firms' future performance?
2. To what extent do these employers rely – or plan to rely – on FE colleges and other external training providers to help meet these skills upgrading needs?
3. What other means of enhancing their critical employees' skill levels do employers make use of?
4. What are the main factors which influence employers in deciding whether or not to make use of training and related services supplied by colleges and other external training providers?

5. What types of college and other external training provision are most attractive to firms as ways of meeting their skills upgrading requirements?
6. For colleges and other training providers which are heavily involved in supplying training services to local employers, what are the main factors which help to nurture these relationships?
7. For colleges and other training providers which are *not* heavily involved in supplying training services to local employers, what are the main barriers which impede them from doing so?
8. What specific kinds of changes in the organisation and funding of colleges and other training providers might help them to improve their responsiveness to employers' training needs?

The report is ordered as follows: Section 2 describes the research methodology with particular emphasis on the criteria used to select sectors for investigation. Section 3 presents an overview of the main findings from the telephone survey of employers with particular emphasis on their skill requirements and the steps they plan to take to meet those skill needs. Sections 4-7 then analyse the employers' skill upgrading and improvement needs in more detail for each of the four sectors in turn and assess the capacity of colleges and training providers in the regions under consideration to respond to local employers' training requirements. Section 8 considers the policy implications of the research findings, with particular attention to changes in the organisation and funding of colleges and other training providers that might help them to improve their responsiveness to employers' training needs.

Table 1: Percentage of establishments reporting (1) lack of suitable local training courses (2) lack of recent contacts with local colleges and/or training providers, analysed by sector (Ranked by % saying lack of local courses is a barrier to training)

	% of establishments saying 'lack of suitable courses in my area' is barrier to training	% of establishments NOT contacted by college and/or local training provider in previous 12 months
Manufacturing and construction		
Electrical, electronic and instrument engineering	28	42
Building installation	25	40
Building completion	23	55
Fabricated metal products	22	43
Food, drink and tobacco	22	39
Building of complete constructions; civil engineering	22	46
Mechanical engineering, vehicles and other engineering	21	40
Printing	20	52
Chemicals, rubber and plastics	18	40
Textiles, clothing and footwear	17	51
Publishing, recorded media	13	58
Services		
Human health activities	28	39
Primary and secondary education	28	36
Social work	26	33
Maintenance and repair of motor vehicles	26	47
Architect, eng, tech etc consultancy; tech testing, analysis	23	49
Sporting activities, arenas, stadia	22	43
Telecommunications services	21	60
Libraries, museums and other cultural activities	21	54
Hotels, motels and other accommodation	21	42
Other financial services, including insurance	20	54
Higher education, adult education and other education	20	54
Public administration	19	49
Sales of motor vehicles	19	46
Other computer services	18	57
Legal, accounting, auditing, tax, etc	18	51
Entertainment activities	17	59
Restaurants, canteens, catering	17	57
Wholesaling	17	55
Retailing - specialised stores	17	58
Renting of machinery and equipment, automobiles, personal and household goods	17	64
Software consultancy and supply	16	51
Travel agents and tour operators	16	58
Supporting and auxiliary transport activities	16	49
Transport services	16	62
Industrial cleaning	16	55
Advertising	15	56
Real Estate activities	15	60
Labour recruitment agencies	14	59
Retailing - non-specialised stores; other retail and repair	13	51
Banks and building societies	11	71
ALL SECTORS	20	50

Source: National Employers Skill Survey 2003 (see notes to Figures 1 and 2)

2. Methodology

2.1 Selection of sectors

In order to carry out the telephone survey of establishments described above, we needed to choose four diverse sectors and two different regions per sector on which to focus our enquiries. Our emphasis on diversity reflected our wish to provide research evidence which might have a wider application even though our methodology depended on surveying employers in fairly narrowly-defined sectors and local LSC areas.

In selecting the sectors we aimed for a mix along the following lines:

- Two in manufacturing, two in services
- All sectors to be predominantly private sector-oriented
- Different levels of labour productivity and foreign trade exposure
- Different levels of skill requirement, for example, not all predominantly low skilled, not all graduate-intensive, and including at least one sector where intermediate skills requiring long duration training are important.
- Different levels of reported internal skill gaps (defined as the proportion of employees which managers report as 'lacking full proficiency in their current jobs')
- Different levels of training provision
- Different reported barriers to employer-provided training
- Different levels of relations with local colleges and other local training providers

NESS data on training provision, barriers to training and relations with colleges and training providers analysed by sector are shown in Figures 1-2 and Table 1 above. Sectoral differences in the incidence of internal skill gaps are shown in Table 3.

Taking the various criteria into account, it was decided to focus on the following sectors:

1. Manufacture of textiles, clothing and footwear
2. Mechanical engineering, vehicles and other engineering
3. Maintenance and repair of motor vehicles
4. Telecommunications services

The two manufacturing sectors are both highly exposed to foreign trade. Telecommunications services ranks highly in terms of average labour productivity levels, in part because of the high levels of capital-intensity associated with its equipment and networks. By contrast, vehicle maintenance and repair is a relatively labour-intensive service activity. Telecoms services employ a relatively high proportion of graduates. Both mechanical engineering and vehicle maintenance have large proportions of craft-trained employees. In terms of reported skill gaps, telecoms services ranks very highly while textiles ranks comparatively lowly; this disparity is mirrored in training provision. Mechanical engineering and vehicle maintenance rank at intermediate levels on both skill gaps and training provision.

Once the sector selection had been made, Sector Skills Councils (SSCs) representing these four sectors joined the project steering group to add their sectoral expertise. The SSCs were, respectively, Skillfast-UK; SEMTA; Automotive Skills and e-skills UK.

Table 2: Rankings of selected sectors on key criteria

Key:

H = High, MH = Medium/High, M = Medium, ML = Medium/Low, L = Low

	Skill gaps as % of employment (Table 3)	Training provision (Figures 1-2)	Local courses barrier to staff development (Table 1)	Contacted by colleges and /or training providers re views on courses (Table 1)	Use FE colleges for staff training and development (Figures 1-2)
Textiles, clothing and footwear	L	L	ML	M	L
Mechanical engineering, vehicles and other engineering	M	M	M	H	H
Maintenance and repair of motor vehicles	MH	ML	H	M	M
Telecommunications services	H	H	M	L	M

2.2 Selection of regions

In choosing the regions in which to target establishments in these four sectors, we had an important practical issue to consider, namely, that the chosen sectors needed to be sufficiently concentrated in those regions to justify a focus on local provision of VET relevant to those sectors. The selected regions also needed to be fairly widely-dispersed in order to avoid basing the study on only a few parts of England. Taking local LSC areas as our geographical unit of analysis, we first identified sector / LLSC area pairings with a minimum of 300 establishments with five or more employees. We then selected the following sector/local LSC area combinations in which to conduct the survey:

1. Textiles, clothing and footwear manufacture: Leicestershire, West Yorkshire
2. Mechanical engineering, vehicles and other engineering: Black Country, Hampshire and Isle of Wight
3. Maintenance and repair of motor vehicles: Devon and Cornwall, Greater Manchester
4. Telecommunications services: London West, Berkshire, Hampshire; Greater Merseyside, Greater Manchester, Cheshire and Warrington

Table 3: Internal skill gaps analysed by sector*Establishments with 5 or more employees**Column 1 establishment-weighted, Column 2 employment-weighted**Ranked by skill gaps as % of employment*

	% employers reporting at least one skill gap	Skill gaps as % of employment
Telecommunications services	49	20
Industrial cleaning	38	18
Labour recruitment agencies	37	17
Retailing – specialised stores	43	17
Restaurants, canteens, catering	48	16
Bars	44	16
Maintenance and repair of motor vehicles	37	16
Hotels, motels and other accommodation	47	15
Sporting activities, arenas, stadia	39	15
Supporting and auxiliary transport activities	35	15
Other computer services	33	15
Chemicals, rubber and plastics	39	14
Building installation	37	14
Food, drink and tobacco	48	14
Advertising	31	14
Retailing – non-specialised stores; other retail and repair	55	14
Real estate activities	29	13
Travel agents and tour operators	34	13
Other financial services, including insurance	36	13
Building completion	35	13
Banks and building societies	46	13
Mechanical engineering, vehicles and other engineering	40	12
Legal, accounting, auditing, tax, etc	34	12
Wholesaling	36	12
Renting of machinery and equipment, automobiles, personal and household goods	36	12
Fabricated metal products	37	11
Architect, eng, tech etc consultancy; tech testing, analysis	35	11
Electrical, electronic and instrument engineering	37	11
Building of complete constructions; civil engineering	33	11
Printing	32	10
Software consultancy and supply	29	10
Transport services	35	10
Textiles, clothing and footwear	34	10
Sales of motor vehicles	46	10
Entertainment activities	30	8
Publishing, recorded media	34	8
TOTAL (Excluding establishments with 1-4 employees) (a)	39	12

Source: NESS 2003

Note:

- (a) Total figures include establishments in large miscellaneous categories (Other manufacturing, Other production/construction industries, Other business services and Other services) and in public sector-dominated industries such as Health, Education, Social work and Libraries, museums and other cultural activities.

2.3 Telephone survey

The telephone interviews of employers in these sectors and local LSC areas were carried out by IFF Research Ltd in June-July 2004. The interviews were confined to establishments with five or more employees and lasted for an average 20 minutes each. The sampling frame used was the Experian/Yell (previously BT) Business Database which is establishment-based. It was regarded as essential for the interviews to be establishment-based rather than company-based as it is at establishment level that decisions on skill requirements and methods used to upgrade skills are usually taken. The respondents in medium-sized and large establishments were typically senior managers responsible for human resources and training. In small establishments most respondents were general managers or their equivalent.

In terms of size-distributions of sampled establishments, efforts were made to ensure a good mix within each sector of small, medium-sized and large establishments. However, the number of large establishments taking part was restricted by the low absolute numbers of candidate large establishments in the target local LSC areas. Indeed, in vehicle maintenance and repair, there were hardly any 100-plus establishments available to be surveyed.

The achieved sample of 452 establishments represents a response rate of 37% (see Table 4). This response rate is somewhat lower than that achieved in many telephone surveys, perhaps because of the survey design which focussed on much more narrowly defined target ranges of companies (defined in terms of sector and LSC region) than is typical in surveys of this kind. However, this was regarded as a price worth paying in order to be able to achieve one of the key innovations of the study, namely, a close geographical matching between the surveyed establishments and the college departments and training providers which were selected for case studies. In general, we believe that we have achieved sufficient coverage of the populations of establishments in each sector/local LSC area in order to be able to derive useful information about local employers' skill upgrading requirements and use of external training providers.

Table 4: Estimated survey response rates, analysed by sector, LSC region and size group

ESTIMATED RESPONSE RATE	Employment size-groups						
	5-9	10-24	25-49	50-99	100-199	200+	Total
	<i>Percentages of establishments asked for interview</i>						
Mechanical engineering							
Black Country	37	35	43	28	39	33	36
Hampshire and Isle of Wight	37	47	19	67	28	11	36
Motor vehicle							
Greater Manchester	31	31	55	na	na	na	34
Devon and Cornwall	40	61	78	na	na	na	50
Textiles, clothing and footwear							
Leicestershire	23	48	36	33	18	na	33
West Yorkshire	30	43	48	36	21	27	36
Telecommunications							
London West, Berkshire, Hampshire	20	59	39	50	25	10	34
Greater Merseyside, Greater Manchester, Cheshire and Warrington	36	28	73	22	27	44	36
TOTAL	33	44	46	35	28	25	37

Note:

Estimated response rate = Completed interviews / (Completed Interviews plus Refusals)

The following categories of establishment are omitted from the calculation: those with under 5 employees; those called 7 or more times without definite outcome; those unobtainable or unavailable for interview within timeframe of survey; those classified to sectors outside target range for survey.

2.4 FE college and training provider case studies

Following analysis of the telephone survey findings, case study interviews were carried out in a total of 16 FE college departments and 16 commercial training providers which were evenly spread between the eight local LSC areas defined above. In selecting cases we aimed for colleges or other training providers that might reasonably be expected to provide training relevant to each of the four sectors of interest. In some cases these were colleges or training providers that were mentioned by respondents to the telephone survey. In other cases they were recommended by the relevant Sector Skills Councils as being suitable for inclusion.

In each case we sought to interview senior managers with an overview of training provision relevant to the sectors concerned, for example, vehicle maintenance or textiles and clothing. In colleges the interviewees were typically Heads of Department and/or course leaders. In commercial training providers most respondents were general managers or chief executives. The interviews were semi-structured and face-to-face in nature and lasted up to two hours each. Table 5 shows the distribution of case study college departments and training providers by number of students and trainees respectively. Further descriptive information about these organisations is presented in Sections 4-7 below.

Table 5: Case study college departments and training providers, analysed by sector and number of students / trainees in sector – related courses

	Vehicle maintenance and repair	Telecommunications services	Mechanical engineering	Textiles, clothing and footwear
<i>FE colleges: number of students on industry-related courses</i>				
Under 100	1	3	0	1
100-299	0	1	2	3
300-plus	2	0	2	0
No figures available	1	0	0	0
Total	4	4	4	4
<i>Training providers: annual number of trainees on industry-related courses</i>				
Under 100	2	0	1	1
100-299	2	0	3	1
300-plus	0	3	0	1
No figures available	0	1	0	1
Total	4	4	4	4

3. Overview of telephone survey findings

3.1 Sample characteristics

Size and regional distributions of the 452 sample establishments are shown in Tables 6-7. By design, establishments in three sectors are fairly evenly split between two different LSC areas. The exception is telecoms services where the survey interviewers had to diversify into neighbouring LSC areas in order to meet their interview targets. Some additional caution needs to be attached to estimates for both telecoms and textiles in the results below since the sample sizes in each sector / local LSC pairing are somewhat smaller than in the other two sectors.

Table 6: Sample establishments, analysed by sector and size group

	Telecoms services	Mechanical engineering	Vehicle maintenance/repair	Textiles, clothing and footwear	Total
	<i>Percentage of establishments</i>				
Number of Employees					
5-9	28	24	50	22	32
10 - 24	34	34	34	43	36
25 - 49	18	13	13	16	15
50 - 99	6	9	1	9	6
100 - 199	7	12	0	6	6
200 - 249	1	1	1	3	2
250-499	4	5	1	0	2
500-999	0	1	0	0	0.2
1000+	1	0	0	0	0.2
Total	100	100	100	100	100
<i>n =</i>	82	134	137	99	452

Table 7: Sample establishments, analysed by sector and local LSC area

		Telecoms services	Mechanical engineering	Vehicle maintenance/repair	Textiles, clothing and footwear	Total
		<i>Percentage of establishments</i>				
Region	LSC area					
South East	Berkshire	18	0	0	0	3
	London West	13	0	0	0	2
	Hampshire / Isle of Wight	20	44	0	0	17
South West	Devon and Cornwall	0	0	54	0	16
West Midlands	The Black Country	0	56	0	0	17
East Midlands	Leicestershire	0	0	0	39	9
North West	Greater Manchester	27	0	46	0	19
	Greater Merseyside	6	0	0	0	1
	Cheshire and Warrington	16	0	0	0	3
North East	West Yorkshire	0	0	0	61	13
	Total	100	100	100	100	100
	<i>n =</i>	<i>82</i>	<i>134</i>	<i>137</i>	<i>99</i>	<i>452</i>

63% of establishments were single-site enterprises while the remainder were part of multi-site organisations (Table 8). The proportion in the multi-site category ranges from 25% in textiles, clothing and footwear to 48% in telecoms. About 13% of all establishments were head offices. The highest proportion of foreign ownership is in telecoms (27% partly or jointly foreign-owned) and the lowest in vehicle maintenance (8%). These and other sectoral differences considered in this section reflect the diversity criteria by which the four sectors were selected for the study.

Table 8: Sample establishments: whether single- or multi-site, head office or foreign-owned

	Telecoms services	Mechanical engineering	Vehicle maintenance / repair	Textiles, clothing and footwear	Total
	<i>Percentage of establishments</i>				
Single-site enterprise	52	63	61	75	63
Part of multi-site enterprise	48	37	39	25	37
Head office	16	19	9	11	13
Partly or wholly foreign owned	27	20	8	9	15
<i>n</i> =	82	134	137	99	452

Telecoms services also stand out for having enjoyed the fastest growth in employment in the previous 12 months and expecting the fastest employment growth in the next 12 months (Tables 9A-B). By far the most common cause of employment growth was ‘increase in turnover’ (results not tabulated). Only 5% of all sample establishments expected employment to decrease in the next 12 months.

Table 9a: Change in employment over last 12 months, analysed by sector

	Telecoms services	Mechanical engineering	Vehicle maintenance / repair	Textiles, clothing and footwear	Total
	<i>Percentage of establishments</i>				
Change in employment over last 12 months					
Increased a great deal	17	10	7	4	9
Increased a little	26	23	30	16	24
Stayed the same	39	51	51	59	51
Decreased a little	11	10	8	17	11
Decreased a great deal	6	6	4	2	4
Not in operation 12 months ago	1	0	1	2	1
Total	100	100	100	100	100
<i>n</i> =	82	134	137	99	452

Table 9b: Expected change in employment over next 12 months, analysed by sector

	Telecoms services	Mechanical engineering	Vehicle maintenance / repair	Textiles, clothing and footwear	Total
	<i>Percentage of establishments</i>				
Expected change in employment over next 12 months					
Increase a great deal	17	4	5	6	7
Increase a little	41	37	30	26	33
Stay the same	41	51	64	62	55
Decrease a little	0	7	1	5	4
Decrease a great deal	0	1	0	1	1
Total	100	100	100	100	100
<i>n =</i>	82	134	137	99	452

A survey question asking respondents about the geographical scope of the main market they competed in elicited the following breakdown: local 27%, regional 13%, national 39% and international 21% (Table 10). This is perhaps surprising given the preponderance of relatively small establishments. However, in telecoms, mechanical engineering and textiles there are clearly large majorities of establishments which are operating in national or international markets (presumably in part because there is little scope for survival in these sectors in catering to regional or local markets). The predictable exception is vehicle maintenance and repair.

Table 10: Geographical market focus, analysed by sector

	Telecoms services	Mechanical engineering	Vehicle maintenance / repair	Textiles, clothing and footwear	Total
	<i>Percentage of establishments</i>				
Primary market					
Local	10	9	66	13	27
Regional	10	13	18	9	13
National	51	45	14	57	39
International	29	34	2	21	21
Total	100	100	100	100	100
<i>n =</i>	82	134	137	99	452

The incidence of formal training plans and budgets was markedly lower in textiles than in the other three sectors (Table 11). Just under two thirds of telecoms and vehicle maintenance establishments, and just under half in mechanical engineering, reported having training plans that specified in advance what level and type of training employees would need in the coming year. The equivalent proportion in textiles was only 27%.

Table 11: Incidence of business plans and training plans and budgets, analysed by sector

	Telecoms services	Mechanical engineering	Vehicle maintenance / repair	Textiles, clothing and footwear	Total
	<i>Percentage of establishments</i>				
Have business plan that specifies objectives for the coming year					
Yes	90	73	62	53	68
No	6	25	36	45	29
Don't know	4	2	1	2	2
Total	100	100	100	100	100
Have training plan that specifies in advance the level and type of training employees will need in the coming year					
Yes	65	49	64	27	52
No	34	50	34	71	47
Don't know	1	1	1	2	1
Total	100	100	100	100	100
Have a budget for training expenditure					
Yes	57	45	44	13	40
No	41	55	53	84	58
Don't know	1	0	3	3	2
Total	100	100	100	100	100
<i>n =</i>	82	134	137	99	452

In terms of workforce qualifications, telecoms services is (as expected) much more graduate-intensive than the other three sectors while mechanical engineering and vehicle maintenance and repair are relatively more intensive in intermediate skills (NVQ3/4, below graduate). However, intermediate skills are clearly important in telecoms as well (Table 12).

3.2 Identification of core groups of employees

In order to be able to probe in detail about establishments' skill upgrading requirements and the degree of involvement they had with local FE colleges or other training providers, survey respondents were asked to identify 'core groups' of employees defined as the group 'with the skills and knowledge which make the greatest contribution to the success of business' (excluding managerial staff). A number of survey questions were then asked solely in terms of the designated core group. However, in the case of establishments with 5-9 employees (32% of the sample), no attempt was made to define a core group and the relevant survey questions applied to their entire workforce.²

In more than three quarters of establishments with 10 or more employees, the core groups of employees also constituted the largest groups of employees. In telecoms the identified core groups were spread among a number of different occupational areas, with the top four being skilled metal and electrical trades, sales, business and public service associate professionals and science and technology professionals (Table 13). By contrast, in the other three sectors the core groups were much more concentrated, for example, among skilled metal and electrical trades and process, plant and machinery operators in mechanical engineering; skilled metal and electrical trades in vehicle maintenance and repair; and process, plant and machinery operators in textiles. Across the whole sample the single most common levels of formal qualifications held by core groups were NVQ3 and 'no formal qualifications' but with much more diversity of core group qualifications in telecoms and mechanical engineering than in the other two sectors (Table 14). Indeed, in textiles the qualifications held by core group employees were heavily concentrated towards the lower end of the spectrum.

3.3 External recruitment difficulties

Some 56% of establishments with ten or more employees had recruited at least one person to their core groups from the external labour market in the previous 12 months (Table 15). This proportion ranged from 73% in telecoms down to 39% in textiles. Over half of recruiting establishments reported that their recruits arrived with all or most of the skills they needed. However, some 28% of recruiting establishments said some of the skills were missing and a further 14% said all or most were missing. In textiles as many as 34% of recruiting establishments said all or most of the required skills were missing compared with only 4% in telecoms.

² Establishments with ten or more employees who were unable to define a 'core group' according to the stated criterion were offered an alternative definition, namely, the group 'which plays the greatest role in making (the establishment's) key product or delivering (its) key service'. Two percent of respondents defined their core group according to this definition. Another two percent elected (as a default option) to answer core group questions in relation to their managerial staff.

Table 13: Core groups of employees analysed by sector and two-digit SOC code

		Telecoms services	Mechanical engineering	Vehicle maintenance / repair	Textiles, clothing and footwear	Total
		<i>Percentage of establishments</i>				
11	Corporate managers	9	6	0	5	5
21	Science and technology professionals	10	4	2	0	4
24	Business and public service professionals	5	0	0	0	1
31	Science and technology associate professionals	2	4	2	1	2
34	Culture, media and sports associate professionals	0	0	0	4	1
35	Business and public service associate professionals	12	5	5	1	5
41	Administrative occupations	9	2	2	3	3
42	Secretarial and related occupations	0	1	0	0	0
52	Skilled metal and electrical trades	24	38	75	3	35
53	Skilled construction and building trades	0	6	0	3	3
54	Textiles, printing and other skilled trades	0	0	0	8	2
71	Sales occupations	17	4	6	4	7
72	Customer service occupations	5	0	0	1	1
81	Process, plant and machine operatives	0	28	3	54	24
82	Transport and mobile machine drivers and operatives	0	1	6	1	2
91	Elementary trades, plant and storage related occupations	2	1	0	11	3
	Unclassified	5	0	0	0	1
Total		100	100	100	100	100
	<i>n =</i>	58	100	65	74	297

Note: Excludes establishments where core groups are taken to refer to all employees or to all managers.

Table 14: Single most common level of formal qualification of core groups, analysed by sector

	Telecoms services	Mechanical engineering	Vehicle maintenance / repair	Textiles, clothing and footwear	Total
<i>Percentage of establishments</i>					
First degree and above	23	2	0	4	6
Other NVQ4	7	13	5	4	8
NVQ3	33	29	55	16	35
NVQ2	15	19	23	12	18
NVQ1	5	4	3	12	6
No formal qualification	17	33	14	52	28
Total	100	100	100	100	100
<i>n =</i>	82	134	137	99	452

Table 15: Incidence of external recruitment to core groups in last 12 months and indicators of the extent to which new recruits come readily equipped with skills that establishments need (establishments with ten or more employees), analysed by sector

		Telecoms services	Mechanical engineering	Vehicle maintenance / repair	Textiles, clothing and footwear	Total
<i>Percentage of establishments</i>						
Percent which have recruited into core group from outside establishment in last 12 months		73	57	57	39	56
<i>n =</i>		59	102	68	77	306
Extent to which these recruits come readily equipped with skills that the establishment needs	Fully equipped	14	17	23	20	18
	Have most of the skills but there's some need for development	51	34	38	17	36
	Have some of the skills but need development	30	31	21	30	28
	Have few of the skills and need significant development	2	7	13	17	9
	Have none of the skills	2	5	0	17	5
	Don't know	0	5	5	0	3
	Total	100	100	100	100	100
<i>n =</i>		43	58	39	30	170

Another question on recruitment difficulties was asked of all sizes of recruiting establishments. Some 52% of them said it had been ‘Quite difficult’ or ‘Very difficult’ to meet recruitment targets for their core groups. By this measure all sectors were quite strongly affected, with vehicle maintenance and repair reporting the highest level of difficulties (Table 16). Taking these findings together with those in Table 15, one inference is that textiles establishments are more likely than those in other sectors to take on under-skilled recruits while in telecoms recruiting organisations are more able (or willing) to persevere with the recruitment process until people with the required skills can be found.

The main reasons cited for recruitment difficulties appear to be weak technical knowledge and understanding, lack of suitable qualifications and lack of practical work experience amongst job applicants. In all sectors but telecoms sizeable minorities of respondents also mentioned limited numbers of job applicants of any kind while in mechanical engineering as many as 90% of establishments facing difficulties referred to an ‘unattractive career image’ associated with the sector.

3.4 Preliminary assessment of skill upgrading requirements

As many as 77% of all establishments reported that the skills required for core group jobs had changed in the last 2-3 years (Table 17A). The proportion reporting no change in skill needs ranged from 12% in vehicle maintenance and 13% in telecoms up to 40% in textiles.

The main reasons for changing skill needs were the introduction of new technologies, the development of new products and services (especially in telecoms and vehicle maintenance), the introduction of new work practices and new legislative or regulatory requirements (both especially in vehicle maintenance). These perceptions of changing skill needs, and the reasons for them, were just as likely to be reported by slow-growing establishments as by fast-growing establishments.³

An even larger proportion of establishments (83% of the total) expected the skills required for core jobs to change in the next 12 months, with the proportion so reporting as high as 94% in telecoms and ranging down to 67% in textiles (Table 17B). The reasons cited were similar to those given for past changes in skill needs.

Predictably there was a high correlation between establishments reporting past changes in skill needs and those expecting future skill changes ($r = 0.471$; $p = 0.000$). But some indication of a quickening pace of change is given by the fact that just over 40% of establishments which reported no change in skill needs in the previous 2-3 years *did* expect skill needs to change in the next 12 months.

³ The rate of growth in sales in the previous 12 months was not significantly correlated with either past changes in skill needs ($p = 0.492$) or expected future changes in skills ($p = 0.784$).

Table 16: Ease of meeting external recruitment targets for core groups in last 12 months by sector and main reasons for any recruitment difficulties (all establishments), analysed by sector

		Telecoms services	Mechanical engineering	Vehicle maintenance / repair	Textiles, clothing and footwear	Total
		<i>Percentage of establishments</i>				
Ease of meeting recruitment targets in last 12 months	Very easy	18	13	9	19	14
	Quite easy	45	35	20	35	32
	Quite difficult	25	23	32	28	27
	Very difficult	11	28	36	19	25
	Don't know	0	1	3	0	2
	Refused	2	0	0	0	0
	Total	100	100	100	100	100
	<i>n =</i>	56	69	87	43	255
Reasons for recruitment difficulties (top two given by each establishment which replied 'Quite difficult' or 'Very difficult' to question on ease of meeting recruitment targets)	Not enough applications	5	43	32	25	30
	Weak technical knowledge and understanding amongst applicant	35	23	25	20	25
	Weak communication and presentation skills	5	3	5	0	4
	Lack of suitable qualifications	20	23	29	10	23
	Lack of commercial understanding and awareness	0	0	2	0	1
	Lack of practical work experience amongst applicants	10	20	20	20	19
	Lack of work experience of any kind amongst applicants	10	6	5	5	6
	Not able to pay suitable salary	5	0	14	10	8
	Location of company unattractive to job-seekers	15	0	2	5	4
	Did not advertise widely enough	0	0	2	0	1
	Not an attractive career	10	90	3	20	8
	Lack of soft skills i.e. motivation and common sense	0	11	0	10	4
	Other	15	6	3	5	6
	Don't know	5	0	0	0	1
	<i>n =</i>	20	35	59	20	134

Table 17A: Whether skill needs for core group of employees have changed in last two-three years and if so, for what reason

	Telecoms services	Mechanical engineering	Vehicle maintenance / repair	Textiles, clothing and footwear	Total
<i>Percentage of establishments</i>					
Whether skill needs have changed in last 2-3 years					
Skills needs not changed	13	26	12	40	23
Skill needs have changed	87	74	88	60	77
Total	100	100	100	100	100
Reasons for changes in skills needed					
The development of new products and services	65	40	63	27	49
The introduction of new working practices	43	35	51	19	38
The introduction of new technologies or equipment	71	56	77	31	60
New legislative or regulatory requirements	34	35	55	22	38
Skill needs have changed but for none of these reasons.	5	7	1	10	5
<i>n =</i>	<i>82</i>	<i>134</i>	<i>137</i>	<i>99</i>	<i>452</i>

Table 17B: Whether skills needed of core group are expected to change over next 12 months, and if so, for what reason

	Telecoms services	Mechanical engineering	Vehicle maintenance / repair	Textiles, clothing and footwear	Total
<i>Percentage of establishments</i>					
Whether skill needs are expected to change in next 12 months					
Will not need new skills	6	19	11	33	17
Skill needs expected to change	94	81	89	67	83
Total	100	100	100	100	100
Whether need new skills/ reasons for skills changes					
The development of new products and services	74	45	65	25	52
The introduction of new working practices	52	37	51	22	41
The introduction of new technologies or equipment	67	46	73	26	54
New legislative or regulatory requirements	40	40	53	21	40
Other	1	0	1	0	1
Don't know	6	15	3	21	11
<i>n =</i>	<i>82</i>	<i>134</i>	<i>137</i>	<i>99</i>	<i>452</i>

Table 18: Types of skills that are expected to need improving among core groups of employees over the next 12 months

	Telecoms services	Mechanical engineering	Vehicle maintenance / repair	Textiles, clothing and footwear	Total
<i>Percentage of establishments</i>					
Types of skills that need improving					
General IT or computing user skills	51	37	41	17	37
IT or computing professional skills	23	9	12	3	11
Communication skills	52	32	39	27	37
Customer handling skills	55	25	45	15	35
Team working skills	50	39	44	34	41
Foreign language skills	5	4	3	2	4
Problem solving skills	39	39	47	18	37
Leadership or supervisory skills	48	36	36	26	36
Numeracy skills	20	15	17	13	16
Literacy skills	13	13	20	9	14
Technical or practical skills	57	57	70	32	56
Other skills	1	1	0	1	1
None	7	18	10	33	17
<i>n =</i>	82	134	137	99	452

The main types of skills that are expected to need improving over the next 12 months were reported as technical/practical skills (56% of all establishments), team-working, problem-solving, communication and other types of generic skill (35-41%) and general IT/computing skills (37%) (Table 18). Technical and generic skills are often required in combination by employers.

In Sections 4-7 below we present more detailed analysis of the types of skills that need improving for specific occupations in each sector in order to get ‘beneath’ the familiar but rather broad categories of skill shown in Table 18.

3.5 Training provision

Just under three quarters of all establishments (73%) reported that it was either ‘Very likely’ or ‘Quite likely’ that planned periods of on-the job training would be provided for core group employees in the next 12 months (Table 19). Almost half reported that off-the-job but on-site training would also be provided, most commonly by the establishment itself and by equipment suppliers. On both these measures textiles again compared unfavourably with the other three sectors, perhaps in part because of the above-average proportion of respondents who did not foresee any change in skill requirements in the next year.

In total as many as 98% of telecoms establishments answered either ‘Very likely’ or ‘Quite likely’ in response to at least one training option, followed by 93% in vehicle maintenance, 82% in mechanical engineering and 73% in textiles (Table 19, Row 11). If we focus solely on *off*-the-job training or education options, these proportions drop to 94%, 93%, 78% and 60% respectively (Row 12).

These indicators of future training activity seem high. If we distinguish between those responding ‘Very likely’ and those responding ‘Quite likely’, then a different picture emerges. Overall, around two thirds of establishments said that it was ‘Very likely’ they would pursue at least one training option (Row 13) and just over half said it was ‘Very likely’ they would pursue at least one off-the-job training or education option (Row 14). As many as 73% of textiles establishments and 57% of mechanical engineering establishments did not say that they were ‘Very likely’ to arrange off-the-job training for their core groups of employees. By contrast, only 27% of telecoms establishments and 34% of vehicle maintenance establishments fell into this category.

As expected, there was a clear relationship between the likelihood of providing or arranging training for core group employees and the observation of skill improvement needs among those employees. Some 73% of establishments who reported skill upgrading needs were ‘Very likely’ to provide at least one form of training – as compared to 42% of establishments which did not report skill upgrading needs. This leaves a sizeable minority of establishments – 22% of all establishments in the survey – who did expect their skills to need upgrading in the next 12 months but were not ‘Very likely’ to provide or arrange any training for core group employees. Across the four sectors, the incidence of establishments in this category ranged from 10% in telecoms and 19% in vehicle maintenance to 28-29% in mechanical engineering and textiles, clothing and footwear.

Table 19: Likelihood of organising different types of training for core group in next 12 months

	Telecoms services	Mechanical engineering	Vehicle maintenance / repair	Textiles, clothing and footwear	Total
	<i>Percentage of establishments saying 'Very likely' or 'Quite likely' that each type of training will be provided for core group in the next 12 months</i>				
1. On the job training in the work situation	80	72	81	59	73
2. On site training carried out off the job provided by establishment	63	39	62	34	49
3. On site training carried out off the job provided by an equipment producer or supplier	56	42	61	18	45
4. On site training carried out off the job provided by any other kind of external training supplier	41	32	42	18	34
5. Off site training provided by your own organisation	50	26	44	16	34
6. Off site training provided by an equipment producer or supplier	47	35	40	16	35
7. Off site training provided by any other kind of external training supplier	34	25	36	16	28
8. Paid attendance at conferences, workshops or seminars where primary purpose is training or education	56	31	43	17	36
9. Paid time off for employees to attend external courses	57	42	58	16	44
10. Fees paid for employees to study or train in their own time	41	33	28	18	30
	<i>Percentage of establishments responding as indicated in Column 1</i>				
11. Have not answered 'Very likely' or 'Quite likely' to any training/education option	2	18	7	27	14
12. Have not answered ' Very likely ' to any training/education option	13	40	24	48	32
13. Have not answered 'Very likely' or 'Quite likely' to any off -the-job training/education option	6	22	7	40	18
14. Have not answered ' Very likely ' to any off -the-job training/education option	27	57	34	73	48
<i>n =</i>	82	134	137	99	452

3.6 Use of external training suppliers

Some 34% of establishments said that it was either ‘Very likely’ or ‘Quite likely’ that they would make use of on-site training provided by external training suppliers other than equipment producers (Table 19). The equivalent proportion expecting to make use of off-site training provided by such suppliers was 28%. This latter figure ranged from 36% in vehicle maintenance, 34% in telecoms and 25% in mechanical engineering down to 16% in textiles.

Detailed analysis of prospective use of external training suppliers shows that some 12% of all establishments thought it ‘Very likely’ that they would use FE college services in the next 12 months while another 20% thought it ‘Quite likely’ (Table 20). In the case of commercial training providers these proportions were 9% and 16% respectively.

Table 20: Likelihood of using different types of external training provider for core group in next 12 months

	Telecoms services	Mechanical engineering	Vehicle maintenance	Textiles, clothing and footwear	TOTAL
<i>Percentage of establishments</i>					
Equipment suppliers – onsite training					
Very likely	29	15	21	4	17
Quite likely	20	25	35	12	24
Not likely	51	61	44	84	59
Equipment suppliers – offsite training					
Very likely	20	7	15	2	11
Quite likely	22	25	22	12	21
Not likely	59	67	63	86	68
Commercial training providers					
Very likely	10	10	12	4	9
Quite likely	26	19	14	5	16
Not likely	65	71	74	91	75
Non-profit training providers					
Very likely	5	3	2	2	3
Quite likely	13	20	12	9	14
Not likely	82	77	86	89	83
FE colleges					
Very likely	12	7	24	3	12
Quite likely	18	27	25	6	20
Not likely	70	66	51	91	67
Universities or other Higher Education institutions					
Very likely	9	1	1	2	3
Quite likely	7	7	1	3	4
Not likely	84	92	98	95	93
<i>n</i> =	82	134	137	99	452

Notes:

(a) Refers to ‘All employees’ in the case of establishments with less than ten employees

Overall some 19% of all establishments said that it was ‘Very likely’ that that they would use either a college or commercial training provider or both; a further 26% said it was ‘Quite likely’ that they would use one or the other or both (results not tabulated). Among those employers which do use external training suppliers, Table

20 suggests that vehicle maintenance and mechanical engineering establishments are more likely to turn to FE colleges while telecoms establishments are more likely to use commercial training suppliers. Textiles establishments are less likely than those in other sectors to make use of either type of external supplier.

Table 21 shows the main reasons cited for considering using or not considering using external training providers. In telecoms and vehicle maintenance the single most common reason mentioned for using commercial training organisations by those who are considering using them is ‘specialist job training’. In mechanical engineering it is ‘quality/standard of training’ (Table 23).⁴

The single most common reason for *non*-use of commercial training providers is found, in telecoms, to be reliance on in-house training. In mechanical engineering and in vehicle maintenance it is costliness. In textiles it is an apparent belief that this type of training is simply ‘not needed’.

Sizeable proportions of those considering using FE colleges in telecoms, mechanical engineering and vehicle maintenance emphasise the suitability of courses and the convenience of the colleges’ locations (Table 22). In addition, in engineering and vehicle maintenance, training for apprentices is clearly important for many college users.

When we turn to the reasons for non-use of FE colleges, the single most common reason cited in all sectors but textiles is that the training on offer is not relevant to company needs. In textiles the main reason for non-use is again a belief that this type of training is not needed.

The proportions of establishments planning to make use of commercial training providers and FE colleges in the next 12 months (Table 20) are not dissimilar to the proportions reporting that they have used these types of institution in the past 2-3 years (Table 23). Indeed, there is a strong positive correlation between past usage and planned future use of both commercial training providers ($r = 0.466$; $p = 0.000$) and FE colleges ($r = 0.588$; $p = 0.000$). In general most evaluations of the effectiveness of external training suppliers in the past are positive (Tables 24-25) so negative perceptions of what is on offer from these organisations are only occasionally based on the specific past experience of establishments.

Just under half of all establishments say that they have received some information about the courses on offer from local colleges (45%) or commercial training providers (47%) (Table 26). Much smaller proportions of establishments have been asked their views about external courses or asked to get involved in curriculum development. However, when colleges or training providers do contact employers about their courses for any reason, there is some evidence of persistence in these contacts. For example, over half of the establishments which had been contacted by colleges said they had been contacted three times or more (Table 27).

In summary, the survey provides clear evidence of continued changes in the skills required of core groups of employees and of widespread employer recognition that

⁴ The cell size for textiles in this case is too small to warrant comment on the results.

these employees' skills will need improving and updating in the near future. However, only a minority of employers intend to make use of local FE colleges and commercial training providers. In some cases this may be because employers are well capable of meeting their training and skills updating needs through other means. In other cases employers may simply be planning to 'get by' somehow without attempting to address their skill updating needs.

However, it is equally clear that large proportions of employers do not believe that the services provided by local colleges and training providers are relevant to their training needs or cost effective. In some cases employers may be uninformed about the types of training offered by local colleges and training providers.

In the next sections of this report we investigate these issues from the point of view of FE college departments and commercial training providers: how well-placed are they to try and meet the skill updating needs which have been revealed by this survey?

Table 21: Reasons for using or not using commercial training providers

	Telecoms services	Mechanical engineering	Vehicle maintenance / repair	Textiles, clothing and footwear	Total
	Percentage of establishments				
Most important reasons for considering using commercial training providers					
Quality/standard of training	17	31	9	33	21
Suitability of courses offered/course offered at suitable times	3	8	3	0	4
Specialist and specific job training	21	13	26	11	19
Experience and knowledge of commercial trainers/lack of in house knowledge	17	15	11	0	13
Qualifications/certificates	3	3	11	0	5
Locality/Saving time/Reliability	17	5	6	0	8
To gain knowledge and skills, i.e. product knowledge, job specific knowledge	14	3	20	11	12
Health and safety reasons	0	5	0	0	2
To improve standards/ Understand new technology/ to keep up with the industry	0	5	9	0	4
Cost effective	3	8	6	0	5
<i>n =</i>	29	39	35	9	112
Most important reasons for not considering using commercial training providers					
No need/Not applicable	4	15	16	32	18
Cost/Charge/too expensive	26	33	35	12	27
They don't provide required training/we're too specialised	21	27	10	21	19
Train in-house (inc. supplier/ manufacturer/ parent company)	28	15	23	13	19
Not enough time/time (unspecified)	6	7	4	6	6
Our staff are fully trained/arrive fully trained	2	11	1	12	7
No reason/nothing	2	2	4	2	3
Not available locally/location (unspecified)	2	1	3	0	1
Lack of interested or suitable candidates	0	0	1	0	0.3
Not my decision / decided by Head Office	4	0	2	0	1
<i>n =</i>	53	95	102	90	340

Table 22: Reasons for using or not using FE colleges

	Telecoms services	Mechanical engineering	Vehicle maintenance / repair	Textiles, clothing and footwear	Total
	Percentage of establishments				
Most important reasons for considering using FE colleges					
For workers and apprentices to gain more skills/ knowledge/ experience	8	22	18	33	18
In order to find apprentices/ apprentice schemes	4	4	9	0	6
Due to the training provided and suitable courses	28	39	25	11	29
Locality and convenience	24	17	28	0	22
Formal qualifications	20	11	12	44	15
Cost of training	16	9	6	0	8
To obtain and have access to technology/equipment	0	2	4	0	3
Benefits to the business ie efficiency and reputation	12	0	6	11	5
<i>n</i> =	25	46	67	9	147
Most important reasons for not considering using FE colleges					
No need/Not applicable	11	25	14	40	24
Cost/Charge/too expensive	14	8	13	10	11
They don't provide required training/we're too specialised	37	28	23	22	27
Train in-house (inc. supplier/manufacturer/parent company)	14	8	21	10	13
Not enough time/time (unspecified)	12	9	20	8	12
Our staff are fully trained/arrive fully trained	11	15	4	12	11
No reason/nothing	4	2	1	3	3
Not available locally/location (unspecified)	0	0	1	0	0.3
Lack of interested or suitable candidates	4	5	1	1	3
Not my decision / decided by Head Office	2	0	1	0	1
<i>n</i> =	57	88	70	90	305

Table 23: Use of external training providers in the last 2-3 years

	Telecoms services	Mechanical engineering	Vehicle maintenance / repair	Textiles, clothing and footwear	Total
	Percentage of establishments				
A: For technical/practical skills training					
Commercial organisations	40	37	31	12	31
Non-profit making organisations	10	23	14	8	15
FE colleges	23	34	47	10	31
Universities or other HE	10	10	3	5	7
Equipment producers/suppliers	65	46	59	21	48
B: For generic skills training					
Commercial organisations	11	11	7	4	8
Non-profit making organisations	1	4	1	3	3
FE colleges	6	10	15	1	9
Universities or other HE	4	3	1	2	2
<i>n</i> =	82	134	137	99	452

Table 24: Effectiveness of main commercial training providers used for technical/practical skills training in last 2-3 years

	Telecoms services	Mechanical engineering	Vehicle maintenance / repair	Textiles, clothing and footwear	Total
	Percentage of establishments				
Extent of training providers understanding of companies technical/practical skills needs					
Very good	36	52	65	25	50
Quite good	42	44	33	75	43
Not very good	9	2	2	0	4
Not at all good	12	2	0	0	4
Relevance of training providers provision to companies technical or practical skills needs					
Very relevant	55	62	74	50	63
Quite relevant	30	36	23	25	30
Not very relevant	9	0	2	17	4
Not at all relevant	6	2	0	8	3
Flexibility of training provider in adjusting time and mode of technical or practical skills training provision to meet companies needs					
Very flexible	39	48	49	42	46
Quite flexible	36	40	30	50	37
Not very flexible	15	8	14	8	12
Not at all flexible	9	4	7	0	6
Cost effectiveness of training providers technical or practical skills training provision					
Very cost-effective	27	38	28	33	32
Quite cost-effective	52	50	60	58	54
Not very cost-effective	15	8	12	0	10
Not at all cost-effective	6	4	0	8	4
Overall effectiveness of training providers technical practical skills training					
Very effective	45	56	53	42	51
Quite effective	36	42	44	50	42
Not very effective	15	0	2	8	5
Not at all effective	3	2	0	0	1
Total	100	100	100	100	100
n =	33	50	43	12	138

Table 25: Effectiveness of FE colleges used for technical/practical skills training in last 2-3 years

	Telecoms services	Mechanical engineering	Vehicle maintenance / repair	Textiles, clothing and footwear	Total
	Percentage of establishments				
Extent of training providers understanding of companies technical/practical skills needs					
Very good	21	26	40	30	32
Quite good	32	43	45	70	44
Not very good	32	22	12		17
Not at all good	16	9	3		6
Relevance of training providers provision to companies technical or practical needs					
Very relevant	32	39	48	20	41
Quite relevant	53	48	42	70	47
Not very relevant	11	9	11	10	10
Not at all relevant	5	4			2
Flexibility of training provider in adjusting time and mode of technical or practical skills training provision to meet companies needs					
Very flexible	21	26	34	50	31
Quite flexible	26	26	35	40	31
Not very flexible	42	35	23		28
Not at all flexible	11	13	8	10	10
Cost effectiveness of training providers technical or practical skills training provision					
Very cost-effective	26	48	51	30	45
Quite cost-effective	58	33	37	70	41
Not very cost-effective	5	17	8		10
Not at all cost-effective	11	2	5		4
Overall effectiveness of training providers technical practical skills training					
Very effective	26	39	42	30	38
Quite effective	58	39	49	60	48
Not very effective	5	20	8		11
Not at all effective	11	2	2	10	4
Total	100	100	100	100	100
n =	19	46	65	10	140

Table 26: Contacts initiated by external training providers

	Telecoms services	Mechanical engineering	Vehicle maintenance / repair	Textiles, clothing and footwear	Total
	Percentage of establishments				
Provided with information about courses by:					
Local colleges	39	55	47	31	45
Local commercial training providers	48	59	38	43	47
National or non-local providers	45	40	31	27	35
Asked views about courses by:					
Local colleges	12	10	24	7	14
Other local training providers	12	14	12	11	12
National or non-local providers	12	6	14	3	9
Involved in curriculum development by:					
Local colleges	5	1	13	5	6
Other local training providers	2	4	3	5	4
National or non-local providers	1	1	4	2	2
Have been offered tailor-made courses by:					
Local colleges	7	3	7	6	6
Other local training providers	16	16	3	8	10
National or non-local providers	13	6	6	3	7
n =	82	134	137	99	452

Table 27: Number of times local colleges and training providers have contacted establishments

	Telecoms services	Mechanical engineering	Vehicle maintenance / repair	Textiles, clothing and footwear	Total
	Percentage of establishments				
Local colleges					
Once	19	23	12	29	20
Twice	31	22	31	26	27
3-5 times	41	31	26	29	31
>5 times	9	23	31	16	22
Don't know	0	1	0	0	0
Total	100	100	100	100	100
n =	32	74	65	31	202
Local commercial training providers					
Once	0	13	21	21	14
Twice	23	15	33	9	20
3-5 times	31	23	23	28	25
>5 times	46	46	21	40	38
Don't know	0	4	2	2	2
Total	100	100	100	100	100
n =	39	79	52	43	213
National or non local providers					
Once	11	13	19	15	14
Twice	11	17	23	11	16
3-5 times	32	15	26	30	24
>5 times	43	51	28	44	42
Don't know	3	4	5	0	3
Total	100	100	100	100	100
n =	37	53	43	27	160

4. Vehicle maintenance and repair: skill upgrading requirements and local training provision

4.1 Telephone survey findings

The vehicle maintenance and repair sector (here defined as SIC code 502) currently employs about 176,000 people across the UK, up slightly from 165,000 in 1997 but down from 184,000 in 1993. These figures do not include those working in vehicle maintenance and repair occupations for organisations which have been allocated to other SIC codes. The Sector Skills Council responsible for vehicle maintenance and repair is Automotive Skills.

The sector is widely distributed geographically but recent growth patterns have been uneven. The two target regions for this study both account for about 10% of the national workforce in the sector. However, while the South West has seen an increase in vehicle maintenance employment in line with overall national growth, employment in the North West has declined in recent years.⁵

Roughly half of employees in this sector are employed in workplaces with less than 10 employees while 86% are employed in workplaces with less than 50 employees.⁶ The predominance of small establishments is reflected in the size-distributions of the 63 vehicle maintenance employers in Greater Manchester and 74 in Devon and Cornwall who were interviewed for the telephone survey (Table 28).

In both local LSC areas roughly seven in ten establishments nominated ‘vehicle trades’ as their ‘core group’ of employees for purposes of answering survey questions (Table 29). Recall that establishments with less than ten employees answered questions about core groups on behalf of all their employees. Roughly 70% of vehicle maintenance establishments in both areas said that the technical and practical skills of their core group employees needed improving or upgrading. Other types of skills mentioned as in need of upgrading included generic skills such as problem-solving skills, customer handling skills, teamworking skills, communication skills and leadership skills. In fact, between 50-60% of establishments in both areas actually wanted combinations of *both* technical and generic skills to be upgraded (Mason and Osborne, 2004a, 2004b).

⁵ Employment data derived from Annual Employment Survey (1993) and Annual Business Inquiry (2003). ABI published 16/12/2004, available from www.statistics.gov.uk/abi. AES data are a standard extract from Nomis at the Office of National Statistics 2/2/2005. The AES was incorporated into the ABI in 1998.

⁶ Sources: Size Analysis of UK Businesses (Business Monitor PA1003) and Annual Business Inquiry.

Table 28: Vehicle maintenance and repair establishments, analysed by size-group

		Devon and Cornwall	Greater Manchester	Total
		<i>Percentage of establishments</i>		
Number of Employees	5-9	47	54	50
	10 – 24	42	25	34
	25 – 49	9	17	13
	50 – 99	1	0	1
	100-199	0	0	0
	200 – 249	0	2	1
	250-499	0	2	1
	Total	100	100	100
	<i>Sample size:</i> <i>n =</i>	<i>74</i>	<i>63</i>	<i>137</i>

Note:

Regional differences are not statistically significant.

As described in Section 2.3, this survey was able to gather information on the specific types of skills that need improving in more detail than most such surveys.⁷ The specific indicators of technical skill requirements strongly emphasise new skill needs in diagnostics, electronics and keeping up to date with new technology. Examples of employers' verbatim responses regarding the skills updating needs of skilled vehicle trades workers include:

- 'Keeping up with product knowledge and keeping pace with changing diagnostic methods'
- 'Air conditioning, electrical and all sorts – they change all the time'
- 'Diagnostic equipment is more advanced, they need mathematics'
- 'Introduction of new steels and welding techniques'.

The IT skill requirements for skilled vehicle trades workers range from use of standard programmes to use of new MOT software and diagnostic equipment. Communication skills need to be upgraded in order to improve employees' ability to deal with both customers and work colleagues, for example:

- 'How to answer the phones and how to deal with customers properly'
- 'Telling people what needs to be done at what time, keeping management informed'.

The survey responses also identify a need for vehicle trades and other employees to develop leadership, motivation and team-working skills that would equip more of them to be promoted to supervisory positions.

⁷ A full listing of employers' verbatim responses clarifying the nature of skill improvement needs can be found on <http://www.ssda.org.uk/ssda/default.aspx?page=41> in Skills and Training Requirements in the Vehicle Maintenance Sector in Devon and Cornwall and Skills and Training Requirements in the Vehicle Maintenance Sector in Greater Manchester. These reports also include full details of the survey results for this sector and are referred to throughout this chapter as Mason and Osborne, 2004a and 2004b.

Not surprisingly, a large proportion of establishments intend to rely heavily on their own resources or to make use of training offered by equipment suppliers in order to meet these skill improvement needs. However, a sizeable minority said that they intend to call on the services of other types of external training supplier as well (Table 19). About 22% of vehicle maintenance establishments in Devon and Cornwall said they were ‘Very likely’ to make use of FE colleges to meet their training needs and another 23% said they were ‘Quite likely’ to do so. The proportions saying they might call on the services of commercial training providers were somewhat smaller: 12% ‘Very likely’ and another 12% ‘Quite likely’ (Mason and Osborne, 2004a, 2004b, Table 6).

Table 29: ‘Core groups’ of employees nominated by vehicle maintenance and repair establishments with 10 or more employees

		Devon and Cornwall	Greater Manchester	Total
		<i>Percentage of establishments</i>		
SOC code				
212	Engineering professionals	0	4	2
311	Science and engineering technicians	0	4	2
353	Business and finance associate professionals	0	4	2
354	Sales and related associate professionals	5	0	3
412	Administrative occupations: Finance	3	0	2
522	Metal machining, fitting and instrument making trades	3	0	2
523	Vehicle trades	73	71	72
524	Electrical trades	3	0	2
711	Sales assistants and retail cashiers	8	0	5
712	Sales related occupations	0	4	2
813	Assemblers and routine operatives	0	7	3
821	Transport drivers and operatives	5	4	5
822	Mobile machine drivers and operatives	0	4	2
	Total	100	100	100
	<i>n =</i>	<i>37</i>	<i>28</i>	<i>65</i>

Notes:

(a) Establishments with fewer than 10 employees responded to questions about ‘core groups’ of employees on behalf of all employees. A small number of establishments selected ‘Managers’ as their core groups.

(b) Regional differences are not statistically significant.

4.2 Interviews in college departments and commercial training providers

In line with the methodology described in Section 2.4, interviews were carried out with senior staff members in two vehicle maintenance departments in FE colleges and two training providers in each of Greater Manchester and Devon and Cornwall.

Recall that some of these organisations were selected from lists of colleges or training providers that were mentioned by respondents to the telephone survey. In

other cases they were recommended by Sector Skills Councils as being suitable for inclusion. Case studies by their nature may or may not be representative of the wider population of organisations from which they are drawn. However, the majority of these colleges or training providers were prominent in their region.

As shown in Table 30, all four colleges were heavily focussed on apprenticeship training for new entrants to the workforce. Some also engaged in pre-apprentice training and one (C1 in Manchester) provided customised training for a small number of large local employers. Both the Manchester departments C1 and C2 were involved in a COVE (Centre of Vocational Excellence) which had recently enabled them to upgrade equipment.

The college interviewees were not surprised by the skill improvement needs indicated in the survey, particularly in respect of the need for short updating courses in diagnostics for adult employees, nor by the fact that small independent garages were strongly affected by skill gaps in this area. In principle, these firms should have access to training provided by diagnostics equipment suppliers but this is harder to arrange for independent garages (catering for a wide range of vehicle makes) than it is for vehicle maintenance firms which deal with single makes of cars and of equipment.

However, none of the departments felt well placed to respond to these skill improvement needs by organising the short courses of (sometimes employer-specific) training that would be required. In all four cases they were heavily influenced by the LSC funding system which prompted them to run courses leading to accredited formal qualifications, typically lasting 12 months or more and focussed on future new entrants to the workforce in the 16-18 or 16-20 age-groups.⁸

Given the teaching commitments of staff, the interviewees considered that it would not be easy to invest time in discussing individual companies' skill improvement needs, drawing up a training needs analysis and then presenting them with a costed short course training solution to those needs. There were also reservations about how many employers would be willing to pay for such courses (which would have to be charged at full cost) or whether it would be worthwhile to engage in this process in small establishments where the number of trainees would inevitably be small. In addition, all four departments were conscious of their staff not being up to date with new diagnostics technologies and C3 and C4 were also concerned about out-of-date equipment.

Similar responses were offered by the four training providers which proved to be just as wedded to attracting LSC funding through apprenticeship and other early-career training as the college departments (Table 31). In part this reflects the origins and

⁸ This reading of LSC funding incentives reflects the following: (1) Sections 96 and 97 of the Learning and Skills Act 2000 provide that courses leading to external qualifications may only be funded by an LEA or the LSC for learners in secondary, further or work-based education and training if the qualification is (a) accredited by the Qualifications and Curriculum Authority (QCA), and (b) approved by the Secretary of State for Education and Skills on the recommendation of the QCA (www.dfes.gov.uk/section96/faqs.shtml). (2) Full fee remission is only available to 16-18 year old learners, whether on full-time or part-time programmes, and to learners of any age whose learning aim is a basic skills qualification (LSC, Funding Guidance for Further Education in 2004/05, Paragraphs 171-172).

development of the four organisations, all of which had emerged from earlier periods of government-supported training arrangements (eg, one was formerly part of a Training and Enterprise Council; another a former managing agent under the Youth Training Scheme; another a former group training association under the auspices of an industry training board).

Only one of these organisations (TP4 in Devon and Cornwall) currently provides any short courses for employers and these tend to be in areas such as supervisor training rather than in technical skill areas. As a TP1 manager said, they would ‘need to know where the funding was going to come from’ before moving into anything new and he did not expect that many employers would be willing to pay the full cost of the kind of training they said they needed. In this manager’s opinion, the Employer Training Pilot scheme – which subsidises adult employees to gain an initial NVQ2 qualification – would not help address most of the technical training needs indicated by the survey as the vehicle trades employees involved were usually qualified to that level or NVQ3 already and needed short courses of updating training rather than to acquire additional formal qualifications.

The one training provider which thought itself capable of responding to vehicle maintenance employers’ adult updating training needs was TP3 which is part of a national organisation with strong links with an employers’ association. The TP3 interviewee thought that the survey information provided useful evidence of the potential market for short updating courses to be offered through their network of regional training centres.

Other positive ideas to emerge during the interviews were along the following lines:

1. Small and medium-sized vehicle maintenance establishments might be more inclined to take advantage of equipment supplier training courses if they could be sure that their employees were capable of absorbing relevant information from those courses and teaching it to other employees afterwards. What seems to be needed in many cases is for adult employees to receive some general updating training as preparation for attendance on equipment-specific courses.
2. Some college departments and training providers would consider offering such diagnostics preparation courses if funding incentives were in place. For example, a new scheme offering ‘matched funding’ for short courses of adult updating training, that is, a subsidy of say 50% of the full costs of providing that training, would be easier to sell to employers and the existence of such a scheme would motivate organisations such as C1, TP2 and TP4 to put more effort into seeking out potential clients in their local areas.
3. An alternative approach was described by the C2 respondent as ‘something akin to the Employer Training Pilots but without the NVQ2 requirement’, that is, the stipulation that subsidies would only be available for adult workers who did not possess an initial NVQ2 qualification or equivalent.
4. Most of the college departments and training providers were focussed primarily on the technical side of vehicle maintenance and were not well placed to respond to the IT and other generic skill requirements which were indicated by the survey. However, three of the colleges had Business Development Units whose role is to take an overview of their organisations’ training capacities – in principle these Units should be able to bring different departments together to

design training provision for establishments with gaps in combinations of technical and generic skill areas.

Table 30: Key information on case study college departments offering courses in vehicle maintenance

Code name	C1	C2	C3	C4
Main courses relevant to vehicle maintenance	Technical certificates for MAs, Pre-apprentice training.	Technical certificates for MAs, Pre-apprentice training.	Technical certificates for MAs; related courses for full-time students	Technical certificates for MAs; related courses for full-time students
Current relationships with employers	Contacts through MAs. Some MA employers contribute to curriculum design. Provide customised training for small number of large employers. Believe new funding for diagnostics equipment will help them better meet employers' training needs.	Contacts through MAs but concede could do more to exchange ideas and information with employers. Very little employer-specific training.	Contacts through MAs. Formal arrangements for employer advice 'fizzled out' recently. Provide full-cost training for small number of local employers who are affected by new regulations.	Contacts through MAs. Very little employer-specific training. In past had close links with equipment supplier training courses.
Capability of meeting skill needs identified in telephone survey	Tend to think in terms of maximising funding under present LSC system. Expect future responsiveness to employers to improve as result of new funding but could only really ramp up short course provision if new funding stream was developed. Staff need (and receive) regular updating in diagnostics.	Limited at present -- mainly think in terms of maximising funding under present LSC system. Conscious of staff recruitment difficulties and deficiencies in skills of existing staff.	Mainly think in terms of maximising funding under present LSC system. See potential niche in providing preparation courses for vehicle maintenance employees prior to attending equipment suppliers' training courses but wary of costs of buying new equipment. Staff diagnostics skills would need updating.	Mainly think in terms of maximising funding under present LSC system. Not sure employers would be willing to pay for training courses they appear to need. Would need not just new equipment but new staff as well to deliver diagnostics-related courses.

Table 31: Key information on case study training providers offering courses in vehicle maintenance

Code name	TP1	TP2	TP3	TP4
Main training services relevant to vehicle maintenance	MA training	NVQ assessment	MA training	MA training, pre-apprenticeship training
Geographical market focus	Local, regional	Local	National	Regional
Current relationships with employers	Employer inputs on optional units for trainees; would like to see more teaching by employers. No short course provision for employers.	Employer inputs on optional units for trainees. No short course provision for employers.	Optional units tailored to specific employers. No short course provision for employers.	Optional units tailored to specific employers. Some short course provision for small number of large employers.
Capability of meeting skill needs identified in telephone survey	Limited, not prepared to move into anything new without knowing where funding coming from. Expect employers would be unwilling to pay. Think Employer Training Pilot scheme not suitable for meeting training needs identified in survey. Staff would need updating training in diagnostics.	Prefer to focus on existing apprentice training links. See some scope in providing basic skills training before mechanics go on equipment suppliers' training courses.	Believe capable of responding to indicated training needs through national network of regional centres and links with employers association. Staff would need updating training in diagnostics.	More interested in providing short courses for supervisor training than in trying to meet technical skill needs. Aware of gaps in equipment and staff skills in diagnostics.

5. Telecommunications services: skill upgrading requirements and local training provision

5.1 Telephone survey findings

The telecommunications services sector (SIC code 642) currently employs about 242,000 people across the UK, down from 268,000 in 2001 but still 31% higher than in 1993. The Sector Skills Council responsible for this sector is e-skills UK. One target region for this study -- the South East -- accounts for just under a fifth of UK employment in telecoms services while the other -- the North West -- accounts for 10%. In general, the South East is the base for more sales and headquarters operations in the sector than any other UK region. Between 1993-2003 telecoms services employment in the South East increased by 65% compared to 40% in the North West.⁹

Roughly 30% of employees in this sector are employed in workplaces with less than 100 employees, 19% in establishments with 100-249 employees and just over half in establishments with 250-plus employees.¹⁰ Table 32 shows the distribution by size group and local LSC area of the 42 telecoms employers in Berkshire, Hampshire and West London and the 40 telecoms employers in the North West (Greater Manchester, Cheshire and Warrington and Greater Merseyside) who were interviewed for the survey.

The four occupational groups most commonly cited as 'core groups' in Berkshire, Hampshire and West London were sales assistants, sales associate professionals (e.g., buyers, sales representatives and marketing specialists), electrical trades and functional managers (Table 33). This differed from the North West where the three most commonly cited core groups included electrical trades and Information and Communication Technology (ICT) professionals as well as sales associate professionals.

Some 68% of telecoms establishments in the North West and 48% in Berkshire, Hampshire and West London said that the technical and practical skills of their core group employees needed improving or upgrading. Generic and IT skill improvement needs were widely cited in both regions and in fact some 61% of the North West telecoms establishments and 41% of those in the South Eastern areas wanted combinations of *both* technical and generic skills to be upgraded (Mason, Osborne and Rincon-Aznar, 2004a and 2004b).

⁹ Employment data derived from Annual Employment Survey (1993) and Annual Business Inquiry (2003). ABI published 16/12/2004, available from www.statistics.gov.uk/abi. AES data are a standard extract from Nomis at the Office of National Statistics 2/2/2005. The AES was incorporated into the ABI in 1998.

¹⁰ Sources: Size Analysis of UK Businesses (Business Monitor PA1003) and Annual Business Inquiry.

In both regions the technical skill updating requirements mentioned by employers strongly emphasise the need to keep up to date with new technology and the details of new telecoms products.¹¹ Examples include:

- ‘To keep up with what’s new in the software – always new development’ [Science and technology professionals]
- ‘IT technical development in our field’ [Sales occupations]
- ‘Mainly keeping up with new software and products from the manufacturer’ [Skilled electrical and other trades]
- ‘Technical awareness of the mobile phone handsets’ [Customer service occupations]

Other IT skill requirements range from use of standard programmes to network applications. A number of specific practical skills such as manufacturer-specific installation skills (in the South East) and electrical installation and cabling (in the North West) are also identified. Communication skills need to be upgraded in order to improve employees’ ability to deal with both customers and work colleagues. The survey responses also identify a need for employees in several different occupations to develop leadership, motivation and team-working skills that would equip more of them to be promoted to supervisory positions.

As in the vehicle maintenance sector, a large proportion of establishments intend to rely heavily on their own resources or to make use of training offered by equipment suppliers in order to meet these skill improvement needs. However, a sizeable minority say that they intend to call on the services of other types of external training supplier as well (Table 19). About 10% of telecoms establishments in Berkshire, Hampshire and West London said they were ‘Very likely’ to make use of commercial training providers to meet their training needs and another 24% said they were ‘Quite likely’ to do so. The proportions saying they might call on the services of FE colleges were lower: only 7% ‘Very likely’ and another 19% ‘Quite likely’ (this further detail is also in Mason, Osborne and Rincon-Aznar, 2004a). In the North West telecoms establishments were more likely to favour FE colleges: about 18% said they were ‘Very likely’ to make use of colleges to meet their training needs and another 18% said they were ‘Quite likely’ to do so. The proportions saying they might call on the services of commercial training providers were 10% ‘Very likely’ and another 28% ‘Quite likely’ (Mason, Osborne and Rincon-Aznar, 2004b).

¹¹ A full listing of employers’ verbatim responses clarifying the nature of skill improvement needs can be found on <http://www.ssda.org.uk/ssda/default.aspx?page=41> Skills and Training Requirements in the Telecommunication Services Sector in the North West and Skills and Training Requirements in the Telecommunication Services Sector in Berkshire, Hampshire and West London. These reports also include full details of the survey results for this sector and are referred to throughout this chapter as Mason, Osborne and Rincon-Aznar 2004a and 2004b.

Table 32: Telecommunications establishments, analysed by size-group and local LSC area

	Berkshire, Hampshire and West London	North West	Total
	<i>Percentage of establishments</i>		
A. Number of employees			
5-9	21	35	28
10-24	45	22	34
25 – 49	17	20	18
50 – 99	7	5	6
100 – 199	7	8	7
200 – 249	0	3	1
250-499	2	5	4
1000+	0	3	1
B. Local LSC area			
Berkshire	36	0	18
Hampshire / Isle of Wight	38	0	20
West London	26	0	13
Greater Manchester	0	55	27
Cheshire and Warrington	0	33	16
Greater Merseyside	0	13	6
Total	100	100	100
<i>Sample size</i> <i>n=</i>	42	40	82

Note:
Regional differences are not statistically significant.

Table 33: ‘Core groups’ of employees nominated by establishments with 10 or more employees

		Berkshire, Hampshire and West London	North West	Total
		<i>Percentage of establishments</i>		
112	Production managers	0	4	2
113	Functional managers	12	0	7
213	Information and communication technology professionals	6	16	10
242	Business and statistical professionals	0	4	2
243	Architects, town planners, surveyors	6	0	3
313	IT service delivery occupations	0	4	2
354	Sales and related associate professionals	12	12	12
412	Administrative occupations: finance	3	8	5
415	Administrative occupations: general	0	8	3
522	Metal machining, fitting and instrument making trades	9	0	5
523	Vehicle trades	3	0	2
524	Electrical trades	12	24	17
711	Sales assistants and retail cashiers	24	8	17
721	Customer service occupations	3	8	5
914	Elementary goods storage occupation	3	0	2
	Total	100	100	100
	<i>n=</i>	33	25	58

Notes:

(a) Establishments with fewer than 10 employees responded to questions about ‘core groups’ of employees on behalf of all employees. A small number of establishments selected ‘Managers’ as their core groups.

(b) Regional differences are not statistically significant.

5.2 Interviews in college departments and commercial training providers

Case study interviews were carried out with senior staff members in two departments providing telecoms training in FE colleges and two training providers each in the North West and South Eastern areas. The basis for selection of these cases was the same as described above for vehicle maintenance: either they were mentioned by survey respondents as institutions which they had dealt with in the past or they were recommended by Sector Skills Councils as potentially interesting subjects for interview.

In all four colleges telecoms courses constituted a minority share of provision for departments which were typically focussed on a wide range of engineering- and/or computing-related subjects (Table 34). This was true even of the North West college C8 which had a long background in providing training for leading telecoms companies. Faced with a decline in its traditional telecoms market, it has moved heavily into providing vendor-specific courses in computer networking for which demand is currently buoyant.

All four departments were less focussed on apprentice training than the vehicle maintenance departments described above and were more likely to be working closely with local employers (primarily large employers), either by tailoring LSC-funded training courses to meet company requirements or through full-cost short-course provision. However, both C5 and C6 in the South East were primarily engaged in training for future new entrants to the workforce. The proportion of adult part-time students was higher in the North West departments C7 and C8 (Table 34). Both C7 and C8 were involved in a COVE (Centre of Vocational Excellence) but these were not centred specifically on telecoms.

In all four colleges the interviewees recognised many of the skill improvement needs indicated in the survey but, for different reasons, did not feel able or disposed to set out to cater to this market. C5 saw an opportunity in short courses for sales people needing more technical background knowledge. However, they were restricted by staff teaching loads on courses designed to attract LSC funding and by a lack of up-to-date equipment. In principle, other departments in the college could cover the revealed skill upgrading needs in IT and leadership skills but there was no mechanism within the college (such as a Business Development Unit) for combining their efforts to cater to individual employers.

Both C6 and C7 were inhibited by the fact that short updating training courses for adult employees don't usually match to accredited qualifications which attract LSC funding. C6 was also aware of its own staff's lack of up to-date knowledge of new technologies in telecoms. C8 was far more interested in catering to the strong market for vendor-specific networking qualifications than in trying to address the skill improvement needs indicated by our survey. Interestingly, in contrast to many other interviewees, managers at C8 did not expect that many of these skill upgrading requirements could be met by short courses of training. They cited the example of people who plan to study on computer networking courses but first need to undertake preparation courses in 'IT Essentials'.

In discussion about how provision of short updating courses could be combined with the teaching loads of most teachers in FE colleges, a programme manager at C7 said that it would be best achieved through having a bank of hourly-paid staff or independent contractors available to take on short course teaching on an irregular basis. It also helps to have a centralised approach within the college to drawing up training needs analyses for prospective commercial clients (eg, through a Business Development Unit or equivalent organisation).

The four commercial training providers in telecoms presented striking contrasts with the vehicle maintenance training organisations. As Table 35 shows, all four telecoms training providers served national and international markets and were not confined to local or regional markets. Far from being dependent on LSC-funded training provision, they were successfully operating as private suppliers of a mix of publicly-advertised telecoms courses (covering technical and customer service skills relevant to many companies) and ‘closed’ courses of a bespoke nature. The bulk of their clients for tailored courses were large firms but a proportion of participants in the ‘public’ courses were from SMEs.

All four providers were wary of attempting to cater in a company-specific way for the SMEs represented in our telephone survey (that is, by investing time in preparing a training needs analysis and putting forward a costed proposition for meeting the skill upgrading requirements which were identified). They expected SMEs to be deterred by the development costs of this approach. In addition, three of the training providers (TP5, TP6 and TP7) regarded themselves as catering for more highly qualified sections of the workforce than the core groups covered in the survey.

The single exception was TP8 whose general manager said that, in principle, they would be willing to address this market but only in conjunction with other training providers and if a lead of some kind was provided by a national organisation which could ensure that additional funding was injected into the equation (preferably involving subsidies for small companies to participate). A similar positive suggestion was made by a senior manager at TP7 but for his company to get involved in this ‘low margin’ kind of training, it would be necessary for them to operate ‘under a different brand’. As in vehicle maintenance, the kind of model these two interviewees had in mind was some kind of ‘matched funding’ with SMEs being expected to pay roughly half the costs of providing the training they required.

Table 34: Key information on case study college departments offering courses in telecommunications

Code	C5	C6	C7	C8
Main courses relevant to telecoms services	Technical certificates for MAs; full-time courses at First and National Diploma level	HNC course in telecoms engineering	Full-time course at National Diploma level; part-time evening course in fibre optics.	Telecoms courses largely supplanted by networking courses leading to vendor-specific qualifications.
Current relationships with employers	Close links with small number of large employers who send trainees on LSC-funded courses.	Offer short full cost courses in fibre optic cabling to meet recent growth in demand.	Contacts with employers through apprenticeships. Limited employer involvement in curriculum to date. Off-the-shelf evening classes well supported by employers. Tailored courses tend to be in Internet-related areas rather than directly involving telecoms.	Background of close links with large telecoms companies. Still have strong employer involvement in mainstream curriculum but only a few bespoke courses offered each year.
Capability of meeting skill needs identified in telephone survey	Although limited by adherence to LSC funding system, staff teaching loads and need for new equipment could offer short courses for sales people needing more technical background knowledge. Other departments could cover skill needs in IT and leadership skills but no mechanism for combining their efforts to cater to individual employers.	Mainly concerned to maximise funding under LSC system. Inhibited from offering short updating courses for adult employees by staff lack of up-to-date knowledge of new technologies in telecoms.	Inhibited by fact that bespoke courses for adult employees don't match to accredited qualifications. For example, training needs revealed in survey are unlikely to dovetail with training to NVQ2 standard under the Employer Training Pilot scheme.	More interested in catering to buoyant market for vendor-specific networking qualifications. Don't believe many skill needs identified in survey can be dealt with by quick fix. Many people planning to start on networking courses first need to undertake courses in 'IT essentials'.

Table 35: Key information on case study training providers offering courses in telecommunications

Code	TP5	TP6	TP7	TP8
Main training services relevant to telecoms services	IT training for telecoms companies and firms in other sectors -- mixture of publicly advertised courses and 'closed' bespoke courses.	Telecoms training - mobile/wireless, convergence, internet protocols	Telecoms engineer training (focussed primarily on operational and R&D engineers) -- -- mixture of publicly advertised courses and 'closed' bespoke courses.	Short course training provision in generic telecoms skills (BTEC accredited but not on National Qualifications Framework).
Geographical market focus	International	National / international	National, international	National, international
Current relationships with employers	60% of courses are tailored to individual company requirements, mainly large firms. Public courses depend on keeping up to date with sector requirements.	60% of courses are tailored to individual company requirements, mainly large firms. Public courses depend on keeping up to date with sector requirements.	Some courses are tailored to individual company requirements, mainly large firms. Public courses depend on keeping up to date with sector requirements.	20% of training is customised and carried out on employers' premises. Respond to employers' need for sector-recognised qualifications, not NVQs.
Capability of meeting skill needs identified in telephone survey	Some potential to meet need revealed in survey for short courses of communication and customer service skills training. Not interested in basic IT skills training. Small companies are seen as 'not profitable' but they can send employees on public courses provided by this organisation.	Could provide (1) supervisory training (2) technical training for employees in non-technical areas such as sales and admin. However, in general their target markets are higher levels of technical skills training than those revealed in survey. In general would expect small companies to be deterred by development costs of tailored training courses.	Generally aim for training of higher level occupations than core groups captured in survey. Might address lower margin training opportunities under a different brand if the market potential could be verified. Don't expect large numbers of trainees from SMEs.	Do not believe that most small and medium-sized employers are willing to pay full costs of training to cover skill gaps identified in survey. In principle willing to address this market in conjunction with other training providers if a lead was provided by a national organisation, preferably involving subsidies for small companies to participate.

6. Mechanical engineering: skill upgrading requirements and local training provision

6.1 Telephone survey findings

The mechanical engineering sector, broadly defined to include vehicles and transport equipment as well as basic metals and machinery manufacturing (SIC codes 271-275, 291-297, 341-355) currently employs 763,000 people across the UK, down from 833,000 in 1993. The Sector Skills Council responsible for this sector is SEMTA (Science, Engineering and Manufacturing Technologies Alliance).

One target region for this study -- the West Midlands -- accounts for roughly 18% of UK employment in the sector while the other -- the South East -- accounts for 10%. The West Midlands is heavily specialised in vehicle manufacture, automotive components and, to a lesser extent, specialised machinery. The two leading product areas in the South East are specialised machinery and aerospace.¹²

Roughly 39% of employees in this sector are employed in workplaces with less than 100 employees, 20% in establishments with 100-249 employees and 41% in establishments with 250-plus employees.¹³ Table 36 shows the distribution by size group of the 75 mechanical engineering establishments in the Black Country and the 59 establishments in Hampshire which participated in the telephone survey. In general, the survey captured many more medium-sized and large plants in the Black Country than in Hampshire.

Metal trades and plant and machine operators were commonly cited as core groups in both the Black Country and Hampshire (Table 37). Other occupational groups selected as core groups included process operators in the Black Country and electrical trades and construction trades in Hampshire.

Between 55-60% of establishments in both areas said that the technical and practical skills of their core group employees needed improving or upgrading. Other types of skills mentioned as in need of upgrading in both areas included general IT or computing skills and generic skills such as problem-solving skills, customer handling skills, teamworking skills, communication skills and leadership and supervisory skills. As in other sectors, sizeable proportions of establishments (43% in the Black Country, 47% in Hampshire) actually wanted combinations of *both* technical and generic skills to be upgraded. Only 15-20% of establishments in the two areas said that no skills needed improvement among their core group (Mason, Osborne and Rincon-Aznar, 2004c and 2004d).

¹² Employment data derived from Annual Employment Survey (1993) and Annual Business Inquiry (2003). ABI published 16/12/2004, available from www.statistics.gov.uk/abi. AES data are a standard extract from Nomis at the Office of National Statistics 2/2/2005. The AES was incorporated into the ABI in 1998.

¹³ Sources: Size Analysis of UK Businesses (Business Monitor PA1003) and Annual Business Inquiry.

Table 36: Mechanical engineering establishments, analysed by size-group

	Hampshire and Isle of Wight	The Black Country	Total
	<i>Percentage of establishments</i>		
5-9	27	21	24
10 – 24	49	23	34
25 – 49	5	20	13
50 – 99	7	11	9
100 – 199	8	15	12
200 – 249	2	1	1
250-499	2	8	5
500-999	0	1	1
Total	100	100	100
<i>Sample size n=</i>	<i>59</i>	<i>75</i>	<i>134</i>

Note: Regional differences are statistically significant at the 2% level.

Table 37: ‘Core groups’ of employees nominated by establishments with 10 or more employees

		Hampshire and Isle of Wight	The Black Country	Total
		<i>Percentage of establishments</i>		
112	Production managers	2	3	3
113	Functional Managers	2	2	2
116	Managers in distribution, storage and retailing	2	0	1
212	Engineering professionals	2	5	4
311	Science and engineering technicians	0	5	3
312	Draughtsperson and building inspectors	0	2	1
354	Sales and related associated professionals	7	3	5
412	Administrative occupations: Finance	2	0	1
415	Administrative occupations: Communications	2	0	1
421	Secretarial & related occupations	0	2	1
521	Metal firming, welding and related trades	2	16	10
522	Metal machining, fitting and instrument making trades	24	19	21
523	Vehicle trades	2	3	3
524	Electrical trades	10	0	4
531	Construction trades	12	2	6
711	Sales assistants and retail cashiers	5	3	4
811	Process operatives	0	10	6
812	Plant and machine operatives	14	16	15
813	Assemblers and routine operatives	7	7	7
822	Mobile machine drivers and operatives	0	2	1
913	Elementary process plant occupations	2	0	1
	Total	100	100	100
	<i>N=</i>	<i>42</i>	<i>58</i>	<i>100</i>

Notes:

(a) Establishments with fewer than 10 employees responded to questions about ‘core groups’ of employees on behalf of all employees. A small number of establishments selected ‘Managers’ as their core groups.

(b) Regional differences are statistically significant at the 8% level.

The respondents' detailed descriptions of technical skill upgrading needs strongly emphasise the need to keep up to date with new technology and products and (especially in the Black Country) with machine-setting requirements.¹⁴ The IT skill requirements range from use of standard programmes and Internet use to specialised programming, for example:

- 'General computing skills and getting used to gathering information from it' [Plant and machine operatives]
- 'Introduction to how to use basic programmes such as Windows' [Plant and machine operatives]
- 'Computer robot interfacing' [Skilled metal trades]
- 'Windows-based machines, Windows-based software' [Skilled metal trades].

As in other sectors, communication skills need to be upgraded in order to improve employees' ability to deal with both customers and work colleagues and many employees in different occupations need to develop leadership skills that would equip more of them to be promoted to supervisory positions, for example:

- 'Team building and taking on responsibility' [Skilled metal trades]
- 'To provide the appropriate knowledge to assistants' [Plant and machine operatives]

Again in common with employers in other sectors, a large proportion of mechanical engineering establishments in each area intend to rely heavily on their own resources in order to meet these skill improvement needs. While sizeable minorities say that they intend to call on equipment suppliers for on- or off-site training, only 11% of engineering establishments in the Black Country and 8% in Hampshire said they were 'Very likely' to make use of commercial training providers to meet their training needs and another 21% (17%) said they were 'Quite likely' to do so. The proportions saying they might call on the services of FE colleges were similar: about 9% (5%) 'Very likely' and another 27% (27%) 'Quite likely' (Table 6). Thus as many as 63% of Black Country establishments and 75% in Hampshire were unlikely to use commercial training providers while 64% (68%) were unlikely to use FE colleges (Mason, Osborne and Rincon-Aznar, 2004c and 2004d).

6.2 Interviews in college departments and commercial training providers

Case study interviews were carried out with senior staff members in two departments providing mechanical engineering training in FE colleges and two training providers each in the Black Country and in Hampshire. The basis for selection of these cases was the same as described above for other sectors.

All four college departments were heavily involved in providing early-career training for apprentices and related courses for full-time students leading to accredited qualifications. As Table 38 shows, in both regions the great majority of students were

¹⁴ A full listing of employers' verbatim responses clarifying the nature of skill improvement needs can be found on <http://www.ssda.org.uk/ssda/default.aspx?page=41> Skills and Training Requirements in the Mechanical Engineering Sector in Hampshire and the Isle of Wight and Skills and Training Requirements in the Mechanical Engineering Sector in the Black Country. These reports also include full details of the survey results for this sector and are referred to throughout this chapter as Mason, Osborne and Rincon-Aznar 2004c and 2004d.

in the 16-25 age group. The two Black Country departments – C11 and C12 – were part of a COVE which was reported as helping buy new equipment and reducing competition between colleges (eg, enabling each to develop specialisms in respect of training provision for local employers).

All four departments had in fact developed relationships with large local employers which involved provision of bespoke training and incorporation of employer advice into the curriculum of mainstream courses. In the case of C12 the college Business Development Unit had been particularly active in helping to develop training provision for local employers, e.g. multiskill training for maintenance engineers to combine mechanical with electrical skills, and this involved some SMEs as well as large employers. However, in the other three colleges there was limited provision for SMEs for reasons similar to those reported in vehicle maintenance and telecoms: small numbers of trainees and greater employer resistance to pay for full-cost training.

Table 38: Key information on case study college departments offering courses in mechanical engineering

Code	C9	C10	C11	C12
Main courses relevant to mechanical engineering	Technical certificates for MAs; related courses for full-time students.	Technical certificates for MAs; related courses for full-time students.	Technical certificates for MAs; related courses for full-time students.	Technical certificates for MAs; related courses for full-time students.
Current relationships with employers	Some courses developed in collaboration with large local employers. See SMEs as the province of commercial training providers.	Adapt certain units of standard courses for larger employers. Some short course provision for larger employers as well. Enquiries from SMEs about bespoke courses tend to break down for cost reasons.	Employer relationships enhanced recently but bespoke training still mainly provided for large companies.	Work with college Business Development Unit on training projects for local employers, e.g., training trainers; multiskilling training for maintenance engineers in reciprocal skills (mechanical/electrical)
Capability of meeting skill needs identified in telephone survey	Course provision driven by LSC funding system. Bespoke courses are difficult to operate because of staffing and space constraints and lack of preparation time. Staff lack expertise in CAD/CAM and electronics.	Training requirements typically very specific, eg IT or CNC -- employers unwilling to pay for broader provision. Short courses don't fit LSC funding-driven model, especially with recent caps on funding for older age groups.	College could provide all IT skills listed but would need class sizes of 14-plus otherwise fees would be too high for most employers. In addition, not all staff have the skills to write training needs analyses for companies.	Employer Training Pilots not suitable means of upgrading people who already have skills. Concerned about cuts in LSC funding for training outside National Qualifications Framework. Hard to release staff to check out details of training needs revealed in survey. In addition, some staff lack up to date skills themselves.

This experience with SMEs combined with staff commitments to teaching on LSC-funded courses led to rather pessimistic assessments of how the departments might respond to the skill upgrading requirements identified in the telephone survey. A senior manager at C10 pointed out that recent 'temporary' caps on LSC funding for training provided to older age groups did not encourage them to cater to this market.¹⁵ In addition, he did not expect employers to be willing to pay for the broader type of course that could be built around accredited units of training.

At C11 a key objective was described as 'ensuring that teaching staff are fully loaded'; they were anxious that short course provision should not disadvantage existing students. At C12 it was argued that the LSC was making 'drastic' cuts this year in funding for training which did not lead to qualifications recognised within the National Qualifications Framework.¹⁶ A C12 programme manager also commented that, although the Employer Training Pilots might in principle be seen as a suitable means of upgrading adult employees' skills, they would not be helpful for people in skilled trades and other occupations whose qualifications were already superior to NVQ2.

Although the departments' initial reactions were couched in terms of government funding systems, further discussion elicited various other constraints on their ability to respond to adult improvement training needs. C9 said that they lacked the staff, room space and preparation time to greatly increase their short course provision. In addition, many of their staff lacked the required expertise in CAD/CAM (computer-aided design and manufacture) and in electronics. At C11 some staff were said to lack the skills to write training needs analyses for employers. Skill shortfalls among teachers were also mentioned at C12 where some staff had reportedly not spent much time in workplaces for as long as 20 years.

By contrast, the four training providers responded to the survey findings in a much more positive way. All of them had their origins in group training associations or similar organisations designed -- when ITBs (Industrial Training Boards) were active -- to facilitate co-operation in training provision among SMEs. Since the demise of the ITBs, these kinds of organisation have had to develop new skills in identifying market opportunities and to diversify their training provision in ways that college departments have not been obliged to do. As a result two of them now serve the national market rather than just their region where they originated and one (TP10) now has international interests as well.

As Table 39 shows, the four training providers remain closely involved with LSC-funded activities such as apprenticeships, pre-apprentice training (e.g., Entry to Employment) and Employer Training Pilots. However, both TP9 and TP10 earn a significant proportion of annual income from providing short courses of technical

¹⁵ According to the Association of Colleges (Funding and Education Briefing 10/04), 'Colleges have been faced with recent demands to model significant cuts to their adult courses to fit demand within LSC resources..... The LSC [has confirmed] that it cannot fund increases in priority activity (16-18s, basic skills, adult level 2) without cuts in funding for non-priority activity' [http://www.aoc.co.uk/Members/admin/funding_education_10_04]

¹⁶ In principle, local LSCs can fund some 'Other Provision', including non-accredited provision, if each and every 'Other' programme is individually approved by the local LSC in question. However, this kind of funding is currently likely to be restricted for budgetary reasons (see previous footnote).

training for adult employees, paid for by client firms, some of which is off-the-shelf in nature and some bespoke. In part this reflects the relative buoyancy of the engineering sector in some parts of Southern England.

Managers at both these organisations said that they were already meeting many of the skill upgrading requirements that were indicated in the telephone survey, for example, machining skills and multi-skilling across the mechanical/electrical divide. Both were able to draw on a bank of independent associates (contractors) as trainers and thus did not incur the problems that college departments anticipated in asking full-time staff with regular teaching commitments to find time to plan and deliver short courses of training. TP10 was also confident that it would be able to tap into existing funding sources to help subsidise an expansion of updating training provision.

One of the Black Country training providers was also optimistic about solving some of the problems that were voiced by the colleges. The general manager of TP12 thought that, in principle, Employer Training Pilots could help to meet as many as 50% of the training needs indicated in the survey. He also thought that some additional subsidies for short course provision might be available through Business Links. However, like other interviewees he was concerned that many employers might still be unwilling to pay fees and release staff, even if they conceded that skills did need improving. For this reason the other Black Country organisation (TP11) thought that it would still prefer to tap into LSC-funded programmes supporting initial training for young people rather than to focus heavily on adult updating training.

Table 39: Key information on case study training providers offering courses in mechanical engineering

Code	TP9	TP10	TP11	TP12
Main training services relevant to mechanical engineering	Mechanical engineering apprenticeships largely displaced by electrical apprenticeships this year. Technical skills training for adult employees supported by employers.	Apprenticeships, pre-apprentice training. Technical skills training for adult employees supported by employers.	Apprenticeships, Employer Training Pilots (NVQ2 standard).	Apprenticeships, Employer Training Pilots (NVQ2 standard).
Geographical market focus	Local, regional	Regional, national, international	Local, regional	Regional, national
Current relationships with employers	Experienced provider of bespoke training courses which generate 50% of income.	Experienced provider of upskilling and multiskilling training for adult employees, only some of which leads to formal qualifications. Have achieved this through employment of independent associates as trainers on irregular basis.	Small number of member companies pay annual subscription. Provide short courses in communication and leadership skills but not in technical skill areas.	Some examples of short course provision for large employers.
Capability of meeting skill needs identified in telephone survey	Could meet many of the skill needs indicated, eg basic machining and fitting skills. Able to draw on independent trainers for ad hoc courses. Suspect many companies will get by without really tackling skill upgrading needs.	Already meeting these kinds of needs through associates. Would expect to be able to tap into diverse funding sources and find grants that will suit employers -- optimism partly reflects buoyancy of local engineering sector.	Could provide supervisory and IT training but not technical training needing specialised equipment. Concerned that numbers of trainees might be very small, employers unwilling to pay costs. On balance find it easier to tap into government-funded programmes for initial training.	Optimistic that, in principle, Employer Training Pilots could meet 50% of training needs revealed in survey. However, not sure that many employers would be willing to pay training costs and release staff. Some small subsidies may be available from Business Links. Own staff need updating in CNC skills.

7. Textiles, clothing and footwear: skill upgrading requirements and local training provision

7.1 Telephone survey findings

The textiles, clothing and footwear manufacturing sectors (SIC codes 171-193) currently employ 179,000 people across the UK, down from 382,000 in 1993. The Sector Skills Council responsible for these sectors is Skillfast UK.

One target region for this study -- the East Midlands -- accounts for roughly 18% of UK employment in the sector while the other -- Yorkshire and Humberside -- accounts for 12%. The East Midlands is heavily specialised in different types of clothing (workwear, outerwear and underwear) and knitted/crocheted articles. Yorkshire and Humberside is more specialised in textile fibres and textile products such as carpets as well as producing clothing. Both regions have experienced very sharp declines in employment in the order of 60-65% between 1993-2003.¹⁷

Roughly 40% of employees in this sector are employed in workplaces with less than 50 employees and another 36% are in establishments with 51-249 employees.¹⁸ Table 40 shows the distribution by size group and region of the 39 textiles, clothing and footwear employers in Leicestershire and the 60 textiles, clothing and footwear employers in West Yorkshire who were interviewed for the survey. Some 65% of these establishments employed between 5-24 people. Another 25% had between 25-99 employees, while the remainder employed between 100-249 people.

The occupational groups most commonly cited as core groups in Leicestershire were assembly workers and other shopfloor workers. By contrast, in West Yorkshire the most common core groups were process operators, assembly workers, other shopfloor workers and textile and garment trades workers (Table 41).

About a third of establishments in each local LSC area said that the technical and practical skills of their core group employees needed improving or upgrading. Other types of skills mentioned as in need of upgrading included generic skills such as problem-solving skills, customer handling skills, teamworking skills, communication skills and leadership and supervisory skills. About one in five Leicestershire establishments and one in four of those in West Yorkshire wanted combinations of *both* technical and generic skills to be upgraded. However, some 28% of the West Yorkshire establishments referred solely to generic skill improvement needs. Only 27% of the West Yorkshire establishments said that *no* skills needed improvement among their core group, significantly fewer than the 44% so reporting in Leicestershire (Mason, Osborne and Rincon-Aznar, 2004e, 2004f).

¹⁷ Employment data derived from Annual Employment Survey (1993) and Annual Business Inquiry (2003). ABI published 16/12/2004, available from www.statistics.gov.uk/abi. AES data are a standard extract from Nomis at the Office of National Statistics 2/2/2005. The AES was incorporated into the ABI in 1998.

¹⁸ Sources: Size Analysis of UK Businesses (Business Monitor PA1003) and Annual Business Inquiry.

Table 40: Textiles establishments, analysed by size-group

	Leicestershire	West Yorkshire	Total
	<i>Percentage of establishments</i>		
5-9	21	23	22
10 – 24	51	38	43
25 – 49	13	18	16
50 – 99	10	8	9
100 – 199	5	7	6
200 – 249	0	5	3
Total	100	100	100
<i>n=</i>	39	60	99

Note:

Regional differences are not statistically significant

The respondents' detailed descriptions of technical skill upgrading needs strongly emphasise the need to keep up to date with new machinery.¹⁹ Examples cited in respect of process and machine operatives include:

- 'Learning the new machinery – changing direction so have replaced a lot of machinery'
- 'We are getting new machines in and they need training on that, more technique-based'
- 'Following the diagrams and patterns'.

In Leicestershire the IT skill requirements mainly concern basic computer literacy. In West Yorkshire the IT skill requirements include use of standard programmes and adaptation to new software. Communication skills need to be upgraded in order to improve employees' ability to deal with both customers and work colleagues. The survey responses also identify a need for employees in different occupations to develop leadership skills that would equip more of them to be promoted to supervisory positions, for example:

- 'Financial training and leadership skills needed for running several departments'
- 'More effective supervision amongst each other, there's a general lack of leadership amongst non-managerial staff'

¹⁹ A full listing of employers' verbatim responses clarifying the nature of skill improvement needs can be found on <http://www.ssda.org.uk/ssda/default.aspx?page=41> Skills and Training Requirements in the Textiles, Clothing and Footwear Sector in Leicestershire and Skills and Training Requirements in the Textiles, Clothing and Footwear Sector in West Yorkshire. These reports also include full details of the survey results for this sector and are referred to throughout this chapter as Mason, Osborne and Rincon-Aznar 2004e and 2004f.

Table 41: Core groups of employees nominated by textiles, clothing and footwear establishments with 10 or more employees

		Leicestershire	West Yorkshire	Total
SOC code		<i>Percentage of establishments</i>		
112	Production managers	7	0	3
113	Functional Managers	0	4	3
311	Science and engineering technicians	3	0	1
342	Design associate professionals	0	7	4
354	Sales and related associated professionals	0	2	1
412	Administrative occupations: Finance	7	0	3
522	Metal machining, fitting and instrument making trades	7	0	3
531	Construction trades	0	2	1
532	Building trades	3	0	1
541	Textiles and garment trades	0	11	7
549	Skilled trades nec	0	2	1
711	Sales assistants and retail cashiers	7	2	4
721	Customer service occupations	0	2	1
811	Process operatives	7	29	20
812	Plant and machine operatives	3	2	3
813	Assemblers and routine operatives	45	22	31
822	Mobile machine drivers and operatives	0	2	1
913	Elementary process plant occupations	10	11	11
	Total	100	100	100
	<i>n=</i>	<i>29</i>	<i>45</i>	<i>74</i>

Notes:

(a) Establishments with fewer than 10 employees responded to questions about 'core groups' of employees on behalf of all employees. A small number of establishments selected 'Managers' as their core groups.

(b) Regional differences are statistically significant at the 3% level.

A large proportion of establishments in each region intend to rely heavily on their own resources in order to meet these skill improvement needs. Only about one in eight Leicestershire establishments and one in five in West Yorkshire said that they intend to call on equipment suppliers for on- or off-site training. Only 6% of Leicestershire establishments said they were either 'Very likely' or 'Quite likely' to make use of FE colleges for training purposes. So far as commercial training providers are concerned, not one single Leicestershire establishment said that they were likely to call on their services. This compared with 15% of West Yorkshire establishments in these sectors which were likely to use commercial training providers and 12% which were likely to use FE colleges (Mason, Osborne and Rincon-Aznar, 2004e, 2004f).

7.2 Interviews in college departments and commercial training providers

Case study interviews were carried out with senior staff members in two departments providing textiles or related training in FE colleges and two training providers each in the East Midlands and in West Yorkshire. The basis for selection of these cases was the same as described above for other sectors.

As noted above, all four college departments were operating in a context of recent rapid decline in employment in their local textile and/or clothing sectors. Textile technology courses had either closed or were in the process of being run down, mainly because of declining student numbers but also (according to some college staff members) because it was seen as an 'expensive' subject in terms of equipment and space. The four departments had all consolidated around a design or fashion-oriented approach towards textiles, offering a mix of full-time and part-time courses (none of which were centred on apprenticeships). In three cases -- C13 and C14 in Leicestershire, C15 in West Yorkshire -- this approach had proved successful in terms of building up student numbers (Table 42).

Table 42: Key information on case study college departments offering courses in textiles, clothing and footwear

Code	C13	C14	C15	C16
Main courses relevant to textiles, clothing and footwear	Full-time and part-time vocational courses in fashion and footwear.	Full-time and part-time vocational courses in fashion and textiles; evening classes in pattern-cutting.	Full-time and part-time vocational courses in fashion, soft furnishings and upholstery.	Full-time and part-time vocational courses in fashion and textiles. Textile technology courses now being run down.
Current relationships with employers	Some employers pay for full-cost courses in footwear (eg, design) but not in fashion. Looking to links with overseas companies.	Local knitting sector in decline but try and get sector-sponsored projects. Some discussions with retailers about short course provision.	Arrange work placements for millinery students. Occasional contacts with local textile employers.	No direct employer training for last 5 years.
Capability of meeting skill needs identified in telephone survey	Not in position to address technical skill needs. Other departments in college should be able to cover key skills and IT updating needs. No staff available to promote short courses of training. Thinking of creating business development post but not inspired by survey results.	Could teach design skills and use of CAD packages and use of pattern-making equipment. No expertise in modern industrial equipment. Concerned that expensive short courses for adult employees don't attract LSC funding.	Staffing is tight, therefore hard to fit short courses into programme, especially if delivered on employers' premises. Survey results seen as discouraging. Department is focussed on one-offs starting from design, not on most productive use of industrial equipment.	Not able to respond in any way as textiles courses are being run down. Many employers seen as likely to muddle through, unwilling to spend money or release staff for training.

In all four colleges full-time students tended to be young and predominantly female. Part-time students were often financing themselves rather than being supported by employers. In some cases the departments had found new opportunities opening up as manufacturing processes in textiles, clothing and footwear manufacturing have tended to shift from the UK to lower-cost parts of the world such as East Asia. In C14 an evening pattern-cutting course had attracted technologists from textile firms and buyers from retail firms who felt the need to upgrade their production skills and knowledge in order to negotiate with foreign-based suppliers. Similarly, at C13 the decline of local footwear manufacturing had induced the department to develop courses for overseas students and to provide more short courses in footwear design for companies who were no longer manufacturing in the UK.

In terms of responding to the skill needs indicated in the telephone survey, the most positive response came from C14 where the fashion course leader thought they could provide short courses to improve design skills and knowledge and use of pattern-making equipment. However, she was concerned that short updating courses for adult employees would not attract LSC funding. The other departments focussed primarily on the barriers to meeting the adult skill needs which had been identified. None of them were in a position to address gaps in shopfloor production skills; their staff tended to be fully-loaded with mainstream teaching commitments; and they did not expect many employers to be willing and able to afford the cost of courses or to release staff to attend. They were discouraged by negative responses by employers to some survey questions, for example, one employer in West Yorkshire said that his firm would not use FE college services because: 'We never get told what's going on and people won't want to do a manual job if they go to FE'. In reply to the same question one Leicestershire employer said that: 'Most employees are illiterate and of old age'.

The four commercial training providers all had strong roots in textiles and related training over the years as various government schemes and institutional approaches to training have succeeded each other, for instance, one had been a group training association under the wing of the former industrial training board; another had started life as an employers' association and then begun to specialise as a training provider in the context of the former Youth Training Scheme.

TP14 in the East Midlands was now involved in apprenticeships and training under the Employers Training Pilots. TP15 in West Yorkshire offered a mix of apprenticeship training, other technical training courses leading to NVQs and a number of short courses for adult employees. Both these organisations received some income from member-companies' subscriptions. In all four training providers the age-mix of trainees was typically more diverse than in the college departments and with more male trainees involved. TP 13 and TP14 were mainly focussed on generic skills training whereas TP15 had a strong technical base. Its future plans include a COVE based around technical textiles, something which is attracting the interest of local employers who are anxious to make use of spare capacity. TP16 also had technical skills interests but these were highly specialised in nature; in part it has become increasingly dependent on overseas trainees.

These different areas of specialism influenced the training providers responses when considering how they might respond to the upgrading skill requirements indicated in

the survey. TP13 and TP14 were both willing to provide generic skills courses such as supervisory and leadership training, so long as employers were willing to pay for it or it could be fitted within the NVQ framework. The TP14 manager said that Employer Training Pilots could work well in meeting some of the skill needs which had been highlighted, for example, upgrading the skills of operators and warehouse people who have good industrial experience but very few formal qualifications. This kind of response differs from that heard in sectors like vehicle maintenance where the core groups identified in the survey were typically more highly-qualified than the core groups identified in textiles.

Recall the concerns raised in the vehicle maintenance sector (Section 4 above) that employees might need special preparation courses before going on machinery suppliers' courses in order to be able to digest the new information and impart it to their work-colleagues when they returned. A training manager at TP13 put another angle on this issue when he commented that, in the past, they had worked with companies to train people to be trainers *after* they had attended machinery suppliers' courses.

TP16 said that it was more likely to look for customers outside the textiles sector (for example, in retailing) than to seek to address skill needs which lay outside its highly specialised area of knowledge. By contrast, TP15 responded very positively to the survey findings and said it could offer updating courses in a wide range of technical, IT and generic skills areas. Its approach to the funding issues would be to actively seek out funding from other sources apart from the LSC.

Table 43: Key information on commercial training providers offering courses in textiles, clothing and footwear

Code	TP13	TP14	TP15	TP16
Main courses relevant to textiles, clothing and footwear	Mostly training for employed adults linked to NVQs.	Apprenticeships, other courses linked to NVQs (including Employer Training Pilot).	Apprenticeships, other technical training courses linked to NVQs, short courses for adult employees.	Short introductory and updating courses in specialist technical areas.
Geographical market focus	Regional	Regional	Regional	National, international
Current relationships with employers	Usually working in 40-50 member-companies at a time. Working on new electronic materials for self-paced distance learning.	Retain links with small number of member-companies. Hardly any short course provision, tailored or otherwise.	Close links with member companies. Working with partners on proposals to develop technical textiles. Attracting interest from local employers with spare capacity.	Some employers value courses designed to improve technical understanding of supervisors and managers.
Capability of meeting skill needs identified in telephone survey	Could provide some generic skills training so long as either employers were willing to pay for it or it fitted within NVQ framework. Find technical skill requirements hard to meet because of lack of technical facilities. See colleges as uninterested in machinery-intensive activities. In past worked with companies to train people to be trainers after they had done machinery suppliers' training.	Could deliver leadership or communication skills, but not IT or technical skills -- interested to try and generate new business, perhaps in conjunction with other training providers. Expect costs will be regarded as prohibitive by many of these firms. ETP works well in textiles for operators and warehouse people who have experience but not formal qualifications.	Can offer updating courses in key skills, IT skills, leadership and management skills as well as technical skills. Will actively seek out funding from other sources besides LSC if necessary to meet employers' requirements.	More likely to diversify away from textiles sector than seek to address textile skill needs which are outside their specialist area of knowledge.

8. Conclusions

8.1 Summary of findings

1. The telephone survey of employers carried out for this project sought to get beneath familiar ‘headline’ categories of skill requirement such as ‘technical skills’ or ‘communication skills’. It did so, firstly, by asking about skill improvement and upgrading needs for workers rather than focussing on areas of skill ‘shortage’ or ‘lack of proficiency’; and secondly, by collating survey respondents’ efforts to describe the required skill improvements in detail.²⁰
2. In all four sectors under investigation – vehicle maintenance, telecommunications services, mechanical engineering and manufacture of textiles, clothing and footwear – large majorities of establishments reported that the skills needed by core groups of employees were expected to change over the next 12 months. Detailed follow-up questioning shed considerable light on the nature of these changing skill requirements. For example, the sought-after improvements in technical skills centred in vehicle maintenance on diagnostics, electronics and keeping up to date with new technology. In the other three sectors updating in the use of new technology also featured alongside sector-specific technical skills such as improved product knowledge and electrical installation and cabling in telecoms services; machine-setting and specialised programming in mechanical engineering; and use of standard programmes and adaptation to new software in textiles, clothing and footwear. The survey results also permitted a close monitoring of the extent to which technical skill upgrading needs overlap with required improvements in the skills required to communicate effectively with customers and work colleagues and in leadership and supervisory skills.
3. When the survey findings were presented to managers and course leaders in FE college departments and commercial training providers, a typical response was not that the results were new but rather that they were ‘plausible’ precisely because they conformed with expectations. What was new for most college and training providers was the evidence, based on establishments in their own region, of a potentially strong *local* demand for training services. This prompted useful discussions about the extent to which the college departments and training providers might be able to meet that demand; the willingness of local employers to pay for expanded training provision; and the extent to which such training was already being provided within the current system.
4. Examples of current provision were found both within FE colleges (e.g. college Business Development Unit developing training provision for local employers in a number of skill areas) and commercial training providers (able to draw on a bank of independent associate trainers who, without regular teaching commitments, are able to plan and deliver short courses). Further ideas were also generated from the FE colleges and commercial training providers about how

²⁰ A full listing of employers’ verbatim responses clarifying the nature of skill improvement needs can be found on <http://www.ssda.org.uk/ssda/default.aspx?page=41> as previously referenced.

better to meet this stated need (e.g. matched funding between employers and providers). These issues are further discussed below.

5. Only minorities of establishments in each sector expected to call on the services of FE colleges or commercial training providers in order to help meet their skill upgrading needs. They were much more likely to rely on their own resources or – in all sectors except textiles -- make use of training services provided by machinery or equipment suppliers. The main reasons cited for not making more use of colleges and commercial training providers were the perceived lack of relevance of their courses to companies' training needs and expected costliness.
6. These reservations did not appear in the main to be based on past negative experiences of using college and training provider services. Indeed, most establishments which had used external training suppliers in the past gave positive evaluations of their effectiveness. However, the reactions of many college and training provider interviewees to the survey results showed that there is in fact some justification for employers' belief that colleges and many commercial providers are unlikely to be able to help them update their workers' skills.
7. The bulk of skill upgrading needs identified in the survey related, firstly, to adult employees and, secondly, to gaps in skills which could be filled through reasonably short courses of training. Small and medium-sized establishments were prominently represented among those seeking improvements in core workers' skills. Some of the adult employees in question such as vehicle trades workers and skilled metal workers are already well-qualified through apprenticeship training and other types of education and training at the beginning of their careers. Others are in semi-skilled and low-skilled occupations but now require higher levels of, for example, numeracy and IT-related competences than used to be necessary. In order to identify what kinds, and what amounts, of training would be helpful, it is necessary to carry out training needs analyses at establishment level. In principle, external training providers should then be in a position to put forward costed training plans to the employers concerned.
8. The majority of FE college departments interviewed for the study were not well placed to commit resources to preparation of training needs analyses and training plans or indeed to deliver much of the training that was apparently needed. The departments' stated first priority was to deliver courses, usually 12 months or more in duration, that led to accredited qualifications that would attract LSC funding. Although some examples of adult participation in these courses were found, most of the provision was for 16-20 year olds at the beginning of their careers. Most teaching staff were fully engaged in delivering these LSC-funded courses and were therefore not available for short course preparation or delivery. In addition, several department managers reported that efforts to provide updating training would be hampered by out-of-date equipment and gaps in the FE teachers' own skills and knowledge.
9. Where FE departments did have experience in providing short training courses for local employers, these relationships tended to be with large companies who could put forward a sufficient number of trainees to justify the departments'

efforts in developing the courses. There was reluctance to invest time in developing relationships with small and medium-sized enterprises (SMEs) who could only offer small numbers of trainees and who were seen as unlikely to be willing to pay the full costs of training in any event.

10. Many commercial training providers were also strongly wedded to LSC funding requirements and to beginning-of-career training. However, partly as a result of the entrepreneurial skills required for some of these organisations to survive in the changing market for training over recent decades, several training providers had already developed the capacity to work with local employers to meet their adult employees' skills updating needs. This was particularly true in regions where the local industry had been relatively buoyant for some time (for example, mechanical engineering in southern England) or in sectors such as telecoms services where keeping up to date with rapidly-changing technologies and products is a pre-condition for commercial survival. The majority of these training relationships were confined to large companies for similar reasons to those advanced by FE department managers: SMEs did not provide opportunities for economies of scale and were less likely to be willing to pay for full-cost training courses. However, there were some examples of SMEs being brought together through joint membership of training associations which sought to identify the commonalities among their many different training requirements.
11. In spite of some positive examples of vocational and educational training (VET) provision that meets local employers' skill upgrading needs, the central conclusion that emerges from the study for all four sectors is that significant gaps exist in training provision, in particular, in short courses designed to update the skills of adult employees and particularly adult employees in SMEs. Given the diversity of the four sectors in question, it would not be surprising to find that these gaps are in fact widespread across the UK economy, although further research would be required to establish this with certainty. It is also evident that the detailed nature of the skills required and the most appropriate solutions are different across the four sectors studied here. Each sector requires a different approach, building on the existing skills and qualifications of the sector, in order to surmount the specific barriers that it faces in meeting its skill upgrading needs.

8.2 Policy implications

12. The study's findings have important implications for Sector Skills Councils (SSCs), some of which are presently engaged in drawing up Sector Skills Agreements (SSAs) between employers and education and training suppliers. These Agreements are expected to lead to new collaborative arrangements between employers, LSC, Higher Education, VET providers, funding agencies, Regional Development Agencies (RDAs), trade unions and other partners which will address key training priorities in each sector. The stated objectives of SSAs include:²¹

²¹ Taken from *Specification for the Scope and Delivery of Sector Skills Agreements*, Sector Skills Development Agency (SSDA), 2004.

- 'To agree how [required] skills are best secured, through training of new entrants and those already in the sector labour force'
- 'To agree with the LSC and training providers, and other relevant training partners, how publicly available funding can best be deployed to support achievement of those goals, including flexible delivery of training in ways that suit employers and learners'.

13. The SSAs will therefore be giving due weight to new-entrant training and long-duration training leading to accredited qualifications which will continue to be an essential source of skills and knowledge in various sectors. At the same time the recognition of the need for 'flexible delivery of training' accords with the gaps identified by this study in provision of short courses of adult updating training. This is recognised in a recent consultation version of an SSA prepared by SEMTA which highlights the differences between publicly-provided training provision and the 'bite size just in time' types of training which companies tend to purchase and/or deliver for themselves.²² Delivery of this type of training could be facilitated by the new 'Framework for Achievement' proposed by the Qualifications and Curriculum Authority (QCA) which is under consultation at the time of writing. Among other things, the Framework will credit individuals for 'bite sized' training they have undertaken and allow them to build such units towards formal qualifications.²³
14. As noted above, LSC funding systems are at present heavily geared to supporting beginning-of-career training courses which lead to accredited qualifications. In the course of this study some college departments and training providers said that they would give far more consideration to meeting the short course training needs of local employers if appropriate funding incentives were in place. For example, a new scheme offering 'matched funding' for short courses of adult updating training, that is, a subsidy of say 50% of the full costs of providing that training, would be easier to sell to employers and the existence of such a scheme would motivate colleges and training providers to put more effort into seeking out potential clients in their local areas. In the process of developing SSAs, some SSCs may well seek to develop new collaborative arrangements with the LSC which make new resources available for this kind of activity.
15. The National Employer Training programme (NETP) which builds on the Employer Training Pilots (ETPs) has the potential to help meet some of the skill needs which have been identified, for example, upgrading the skills of operators and warehouse people who have good industrial experience but very few formal qualifications. However, if its remit does not extend beyond the ETPs, its effectiveness is likely to be more limited, firstly, by not covering attendance on short focussed training courses which do not lead to formal qualifications; and secondly, by not being applicable to groups of employees whose skills may need upgrading but who already hold formal qualifications at NVQ2 level or above. (Although the recent White Paper 'Skills: Getting on in business, getting on at

²² SEMTA Sector Skills Agreement for Aerospace, Automotive, Bioscience and Electronics, Consultation Version 2, 13 January 2005.

²³ See <http://www.qca.org.uk/10710.html>

work' proposes trials of contribution to Level 3 training in two regions in England in 2006-07 and 2007-08, it is currently not clear if this will have a wider application). The results from this study alongside the evaluation material from ETP should feed into the future design of the national programme. Any final decisions as to whether the scope and workings of ETPs should be modified, as they are rolled out to the National Employer Training Programme, must also be based on an assessment of the existing skills and qualifications of the sectoral workforce. SSCs already have responsibility for identifying priority training needs at NVQ3 level and above and this issue will no doubt be covered in SSAs. The Sector Skills Agreements will thus form another important input into policy development around NETP.

16. Even without structural changes in LSC funding systems, there are numerous ways in which FE colleges and training providers can be inspired to reduce the mismatches between their VET provision and local employers' skill and training needs. For example, additional closely targetted funding such as that released to designated COVEs (Centres of Vocational Excellence) has helped several departments and training organisations to upgrade their equipment and prompted them to take a more pro-active approach to building relationships with employers. In some cases it has also motivated them to seek out additional non-LSC funding sources to support their short course training provision.
17. More information of the sector-specific kind produced through this study can help college departments and training providers to see more clearly what they could do – even with no changes in present resources or funding arrangements -- to meet local employers' training needs. For example, the South East England Development Agency and 6 local LSCs are developing a network of Action For Business Colleges across the South East.²⁴ The network will seek to deliver close working relationships between colleges and employers and 'improved understanding' by colleges of their local employer base. Colleges may apply to be a 'premiere centre' for delivering services with a sector focus. Additionally, it is not just colleges who can use this information. The role of brokers (detailed in the White Paper cited above), guided by the LSC, SSCs and others, will be crucial to support this type of delivery and they will need to be fully informed about the range of provision to meet employer needs. Also, the growing numbers of union learning representatives are well placed to intermediate between colleges and employers, providing information to colleges about what local training needs are and to employers about what courses are locally available.
18. Constructive suggestions which emerged during interviews for this study included the development of courses which could in principle be of interest to many local SMEs in spite of their very different specific skill requirements, for example, general updating training in preparation for attendance on machinery suppliers' courses; and short courses for sales people needing more technical background knowledge. Within colleges Business Development Units armed with information of the kind presented here should be well placed to bring different departments together to design training provision for local

²⁴ See <http://www.lsc.gov.uk/NR/rdonlyres/ekpvnqccleadlye4tpmzebo23fpy2zmzlagp2gqf3urpq4rr32mxiowra3qiigzjgicjypupz5xxhyg/ActionforBusinessCollegeProspectus.doc>

establishments with similar gaps in combinations of technical, IT and generic skill areas.

19. Thought also needs to be given to new incentives for SMEs to pool resources as subscriber-members and participants in collective training associations of different kinds. Without such policy innovations, large numbers of SMEs are likely to continue trying to 'get by' on their own without really addressing their skill upgrading needs -- and colleges and other training providers will continue to assume that, in the end, most SMEs are either unwilling or unable to pay the costs of training courses delivered outside the LSC funding system, thus perpetuating a 'vicious circle' based on existing and perceived attitudes and funding issues.

8.3 Methodological issues

20. In order to develop the labour market information base required by SSAs, we believe there is a strong case for more surveys of the present kind to be carried out in other sectors and regions. In some cases it may be considered useful for the surveys to cover more broadly defined sectors and regions than were considered in this study, especially if different SSCs want to work together on this kind of research.
21. Additionally, the methodology could be applied in Wales, Scotland and Northern Ireland in order to assess the varying challenges posed by the different VET systems across the UK and the different solutions which may be required to deal with any issues that arise.
22. We recommend that future surveys should gather information on a wider range of occupations in each establishment (not just core groups and largest groups of employees). It would also be useful to gather detailed information on the extent and nature of recent training provision by employers, both on and off their own premises. In order to create space in the questionnaire for these new information demands, we suggest that less attention needs to be paid to the reasons employers have for either using or not using the services of external training suppliers. The present study has clearly shown that what counts in this respect is simply the perceived relevance and cost-effectiveness of what training suppliers have to offer. Future surveys should concentrate on delivering the sectoral information needed to influence training provision (whether in FE colleges, training providers or Higher Education) to improve performance on both these criteria.
23. Given the relatively small size of this survey, we excluded establishments with less than 5 employees in order to focus on employers who were most likely to have had experience of local training provision or likely to consider making use of external providers in the future. Nonetheless, we believe the evidence presented here around the barriers which prevent local VET suppliers from responding to the skills upgrading needs of local employers would also be applicable (if not more so) amongst the smallest establishments.

24. The study suggests that geographically focussed surveys of the kind presented here provide useful information so long as the chosen local LSC areas account for sizeable proportions of employees in the sectors concerned. In fact, the study shows few regional differences in the results for three of the sectors. In the telecoms services sector, there were important differences in the main activity of the sector in the South East and North West, which were reflected in the occupational analysis. However, the Steering Group did conclude that the methodology could apply to broader sectors/localities and in some cases that would be essential (e.g. some geographically diverse -- mainly rural -- local LSCs or aggregations of small sectors with common skills issues).
25. Finally, it is worth noting the large proportions of employers whose skill and training needs have been revealed by questions asking whether the skills and knowledge of selected groups of employees need improving or updating. This pattern of responses contrasts with the relatively small proportions of establishments which successive National Employers Skill Surveys have identified as having skills-related hard-to-fill vacancies or internal skill gaps among existing employees (that is, employees who are not fully proficient in their jobs). Future survey questionnaires at national level, as well as sector level, might well benefit from introducing a broader range of questions regarding skill and training needs.

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Annex 1: SIC codes for sectors reported in analysis of NESS 2003 data (Figures 1-2, Tables 1-3)

SIC (1992) codes	
151-160	Food, drink and tobacco
222	Printing
221, 223	Publishing, recorded media
241-252	Chemicals, rubber and plastics
281-287	Fabricated metal products
300-335	Electrical, electronic and instrument engineering
271-277, 291-297, 341-355	Mechanical engineering, vehicles and other engineering
171-193	Textiles, clothing and footwear
201-212, 231-232, 261-268, 361-366, 371-372	Other manufacturing industries
451, 455, 011-014, 020, 050, 101-103, 111-112, 120, 131-132, 141-145, 401-403, 410	Other production and construction industries
452	Building of complete constructions; civil engineering
453	Building installation
454	Building completion
501	Sales of motor vehicles
502	Maintenance and repair of motor vehicles
511-517	Wholesaling
522-524	Retailing - specialised stores
521, 525-527	Retailing - non-specialised stores; other retail and repair
551-552	Hotels, motels and other accommodation
553, 555	Restaurants, canteens, catering
554	Bars
601-603, 611-623	Transport services
642	Telecommunications services
633	Travel agents and tour operators
631-632, 634	Supporting and auxiliary transport activities
651	Banks and building societies
652, 660, 671-672	Other financial services, including insurance
722	Software consultancy and supply
721, 723-726	Other computer services
741	Legal, accounting, auditing, business and management consultancy, etc.
742-743	Architectural and engineering activities and related technical consultancy; technical testing, analysis
701-703	Real estate activities
711-714	Renting of machinery and equipment, automobiles, personal and household goods
744	Advertising
745	Labour recruitment agencies
747	Industrial cleaning
730-732, 746, 748	Other business services
751-753	Public administration
801-802	Primary and secondary education
803-804	Higher education, adult education and other education
851	Human health activities
853	Social work
926	Sporting activities, arenas, stadia
921-923	Entertainment activities
925	Libraries, museums and other cultural activities
852, 503-505, 641, 852, 900, 911-913, 924, 927, 930, 990	Other service industries

Annex 2: Survey questionnaire



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PRIVATE & CONFIDENTIAL

**Skills & Training Mismatches
Survey
Screener**

3821
11th May 2004

ASK TELEPHONIST

S1: May I speak to the most senior person here who has responsibility for human resource and personnel issues?

READ OUT IF NECESSARY:

[ESTABLISHMENTS WITH **25 OR MORE EMPLOYEES:**] **YOUR HUMAN RESOURCES OR PERSONNEL DIRECTOR / MANAGER**

[ESTABLISHMENTS WITH **5-24 EMPLOYEES:**] **THE OWNER, MANAGING DIRECTOR OR GENERAL MANAGER**

ASK RESPONDENT

S2: Good morning / afternoon, my name is _____, calling from IFF Research, an independent market research company. We're conducting a short survey about skills, training and related issues on behalf of the Sector Skills Development Agency, supported by the Department of Education and Skills (DfES). This survey aims to help the support organisations for your industry to meet the skill and training needs of businesses like yours. Your co-operation will ensure that the views expressed are representative of all employers in your industry.

ADD IF NECESSARY:

- If you have any queries please call Damion Lorentzen at IFF Research on 020 7250 3035; or the Market Research Society free phone number 0500 396999.

- Alternatively you can call <insert contact name> from the SSDA on <insert contact number>

- Please be reassured that all responses will be strictly confidential, and will not be attributed to any individual or company. Results will be reported on a completely anonymous basis.

- The interview will take around 20 minutes to complete depending on your responses.

Can I confirm you are the best person at this location to talk to about training and related issues including technical training?

Respondent OK and willing to be interviewed	1	ASK S3
Respondent OK but call back later	2	MAKE APPOINTMENT
Respondent OK but refuses to be interviewed	3	CLOSE
Someone else at establishment NAME JOB TITLE	4	TRANSFER AND REINTRODUCE

S3: CLASSIFY FROM SAMPLE:

Sector 1	1	CHECK AGAINST QUOTAS
Sector 2	2	
Sector 3	3	
Sector 4	4	

I would like to begin by asking you some general questions about this establishment or site. By establishment or site I mean this single location, even if it encompasses more than one building.

S4: What is the main business activity at this establishment?

PROBE AS NECESSARY:

What is the main product or service of this establishment?

What exactly is made or done at this establishment?

What material or machinery does that involve using?

WRITE IN. CODE TO SIC 4 DIGIT

--

S5: Can I just check that _____ (READ OUT BROAD SECTOR DEFINITION) is a reasonable description of your establishment's main business activity at this site?

READ OUT APPROPRIATE SECTOR DEFINITION AND CODE YES OR NO

	YES	NO
Sector 1	1	2
Sector 2	1	2
Sector 3	1	2
Sector 4	1	2

IF CODED NO TO ALL OF S5- THANK AND CLOSE

ASK S6 IF YES TO ANY OF S5

S6: And how many people work at this location? Please include both full time and part time employees, working proprietors and yourself, but exclude any outside contractor or agency staff.

INTERVIEWER NOTE: ADD IF NECESSARY: **We are interested in all those on the payroll but not self-employed or outside contractors/agency staff**

PROBE FOR BEST ESTIMATE. WRITE IN NUMBER AND CODE RANGE AUTOMATICALLY

WRITE IN NUMBER: _____

1-4	1	THANK AND CLOSE
5-9	2	ASK S7 IF IN QUOTA
10 – 24	3	GO TO S8
25 – 49	4	
50 – 99	5	
100 – 199	6	
200 – 249	7	
250-499	8	
500-999	9	
1000+	10	
Don't know	X	THANK AND CLOSE

ASK IF FEWER THAN 10 EMPLOYEES (CODES 2-3) AT S6

S7. Are working proprietors included in this total?

Yes	1	ASK S8
No	2	GO TO MAIN QUESTIONNAIRE

S8. Excluding working proprietors, how many people are employed at this establishment?

1-4		THANK AND CLOSE
5	1	CONTINUE
6	2	
7	3	
8	4	
9	5	
None	V	THANK AND CLOSE
Don't know	X	

PRIVATE & CONFIDENTIAL

**Skills & Training
Mismatches Survey
Main Questionnaire**

**3821
17 June 2004**

SECTION A: ESTABLISHMENT BACKGROUND

We would like to start with a series of questions that will allow us to put your later responses into context of your organisation and the industry as a whole.

ASK ALL

A1. Is this establishment....?

READ OUT

The only establishment in the organisation	1	GO TO A3
One of a number of establishments within a larger organisation	2	ASK A2

A2. Is this establishment the overall head office of your organisation in the UK?

Yes	1	
No	2	

ASK ALL

A3. Which of these best describes the ownership or control of this establishment?

UK owned or controlled	1	
Jointly UK and foreign owned or controlled	2	
Foreign owned or controlled	3	

ASK ALL

A4. Roughly how many years has this establishment been operating at its current premises?

PROBE IF NECESSARY

<1 year	1	
1-3 years	2	
4-5 years	3	
6-9 years	4	
10+ years	5	

ASK ALL

A5. Has the establishment always been at its present address or has it had a previous address?

(IF COMPANY STARTED AS SUBSIDURY OF PARENT COMPANY OR ROLLOUT FROM ANOTHER COMPANY AT THIS ADDRESS THEN CODE YES)

Yes- always based at this address	1	GO TO A7
No- previously based elsewhere	2	ASK A6

ASK IF NO AT A5

A6. For how many years was the establishment operating before it started up at its current premises? (ACCEPT ESTIMATES)

<1 year	1	
1-3 years	2	
4-5 years	3	
6-9 years	4	
10+ years	5	

ASK ALL

A7. To get an idea of the size of your establishment, please tell us your approximate total turnover for the last full financial year? Please give me your best estimate?

WRITE IN _____

IF DON'T KNOW PROMPT WITH RANGES BELOW:

Less than £100,000	1	
£100,000 - £249,999	2	
£250,000 - £499,999	3	
£500,000 - £999,999	4	
£1m - £1.9m	5	
£2m - £4.9m	6	
£5m - £49m	7	
More than £50m	8	

ASK ALL

A8. And approximately what percentage of these sales was exported, if any?

WRITE IN % _____

IF DON'T KNOW PROMPT WITH RANGES BELOW:

0%	1	
1 – 9%	2	
10 – 19%	3	
20 – 29%	4	
30 – 39%	5	
40 – 49%	6	
50 – 59%	7	
60 – 69%	8	
70 – 79%	9	
80 – 89%	0	
90 – 99%	1	
100%	2	

ASK ALL

A9. Over the past twelve months, have this establishment's total sales...?

READ OUT. CODE ONE ONLY

Increased a great deal	1	
Increased a little	2	
Stayed the same	3	
Decreased a little	4	
Decreased a great deal	5	
Not in operation 12 months ago	6	

ASK ALL

- A10. Including both full time and part time employees, over the past twelve months, has employment at this establishment...?**

READ OUT. CODE ONE ONLY

Increased a great deal	1	
Increased a little	2	
Stayed the same	3	
Decreased a little	4	
Decreased a great deal	5	
Not in operation 12 months ago	6	

- A11. Can I just confirm, has this establishment taken on any new recruits over the last 12 months?**

READ OUT. CODE ONE ONLY

Yes	1	
No	2	

ASK ALL

- A12. Over the next 12 months do you expect employment at this establishment to...?**

READ OUT. CODE ONE ONLY

Increase a great deal	1	
Increase a little	2	
Stay the same	3	
Decrease a little	4	
Decrease a great deal	5	

ASK ALL

- A13. What are the reasons for this expected (Text sub if code 1-2 at A12= increase / Text sub if code 3-4 at A12= decline) in the overall numbers employed at this establishment?**

DO NOT READ OUT. MULTICODE

ASK IF MULTICODE AT A13- OTHERS GO TO B1

- A14. And what is the *main* reason for this expected (Text sub if code 1-2 at A12= increase / Text sub if code 3-4 at A12= decline) in the overall numbers employed at this establishment?**

READ OUT ALL CODED AT A13. CODE ONE ONLY

INCREASE IN EMPLOYMENT

	A13	A14
Increase in turnover	1	1
Decrease in turnover	2	2
Move into new business areas	3	3
Withdrawal from business areas	4	4
Company restructuring	5	5
Introduction of new working practices	6	6
Introduction of new technology	7	7
More subcontracting	8	8

Less subcontracting	9	9
Other 1 (Write in)	1	1
Other 2 (Write in)	2	2
Other 3 (Write in)	3	3

SECTION B: MARKETS, PRODUCT STRATEGY AND BUSINESS PLANNING

In this next section, we would like to ask a few questions about the products or services that are provided by this establishment.

ASK ALL

- B1. Is the market for this establishment's main product or service primarily ...?**
READ OUT. CODE ONE ONLY

Local	1	
Regional	2	
National	3	
International	4	

ASK ALL

- B2. The following few questions are based on differing scales. First of all, on a scale of 1 to 5, where would you place this establishment if...**

A.) a score of one indicates that, compared to others in your industry including suppliers based in other countries, the competitive success of your establishment's products or services is wholly dependent on price and a score of five that success does not depend at all on price

Wholly price dependent	1	2	3	4	5	Not at all price-dependent
------------------------	---	---	---	---	---	----------------------------

B.) a score of one indicates that this establishment competes in a market for a standard or basic quality product or service and a score of five that you compete in a market for premium quality products or services

Standard or basic quality product or service	1	2	3	4	5	Premium quality product or service
----------------------------------------------	---	---	---	---	---	------------------------------------

C.) a score of one indicates that, compared to others in your industry including suppliers based in other countries, this establishment very rarely leads the way in terms of developing new products or services or techniques and a score of five that you often lead the way in developing new products or services or techniques

Very rarely lead the way in developing new products or services or techniques	1	2	3	4	5	DK	Often lead the way in developing new products or services or techniques
-------------------------------------------------------------------------------	---	---	---	---	---	----	-------------------------------------------------------------------------

ASK ALL

- B3.** Can you tell me how applicable the following statement is to this establishment? Please tell me if the statement is very applicable, fairly applicable, not very applicable or not at all applicable.

READ OUT	Very applicable	Fairly applicable	Not very applicable	Not at all applicable
We are implementing, or are about to implement, plans to move into new, higher quality product or service areas.	1	2	3	4

ASK ALL

- B4.** And can you tell me which of the following exist at your establishment?

READ OUT

	Yes	No	Don't know
A business plan that specifies the objectives for the coming year <i>INTERVIEWER NOTE: IF RESPONDENT INDICATES THAT ESTABLISHMENT IS COVERED BY A COMPANY WIDE BUSINESS PLAN CODE AS A 'YES'</i>	1	2	3
A training plan that specifies in advance the level and type of training your employees will need in the coming year	1	2	3
A budget for training expenditure	1	2	3

SECTION C: EMPLOYMENT AND RECRUITMENT ISSUES

In this next section we would like to ask you a few questions about your current workforce and what you would be asking for if you were to take on new recruits.

ASK ALL

- C1.** So firstly, what percentage of your current workforce are university graduates? By graduate I mean someone who holds a first degree (e.g. BSc or BA) or equivalent qualification. This includes people who acquired this qualification some time ago as well as recent graduates. Please also include people who also hold a Masters degree or PhD

If easier for you please tell me the **number** of university graduates you have

WRITE IN % _____

WRITE IN NO.

IF DON'T KNOW PROMPT WITH RANGES BELOW:

0%	1	
1 – 9%	2	
10 – 19%	3	
20 – 29%	4	
30 – 39%	5	
40 – 49%	6	
50 – 59%	7	
60 – 69%	8	
70 – 79%	9	
80 – 89%	0	
90 – 99%	1	
100%	2	

-
- ASK ALL
- C2. And what percentage of your workforce are not graduates but hold formal qualifications at NVQ Level 3 or above? Please include holders of qualifications like A' levels, BTEC Higher National and equivalent awards to NVQ level 4 standard, BTEC National , City & Guilds vocational awards, completed apprenticeships and vendor qualifications to NVQ level 3 standard.**
If easier for you please tell me the **number** of people you employ who are not graduates but hold formal qualifications at NVQ level 3 or above
INTERVIEWER NOTE: Other qualifications at NVQ3 and NVQ4 level include: SCOTVEC or SQA Higher National awards, higher education diplomas and GNVQ Advanced awards. Apprenticeships include completed trade apprenticeships and Advanced Modern Apprenticeships.

WRITE IN % _____

WRITE IN NO.

IF DON'T KNOW PROMPT WITH RANGES BELOW:

0%	1	
1 – 9%	2	
10 – 19%	3	
20 – 29%	4	
30 – 39%	5	
40 – 49%	6	
50 – 59%	7	
60 – 69%	8	
70 – 79%	9	
80 – 89%	0	
90 – 99%	1	
100%	2	

ASK C3 IF EMPLOY 10 OR MORE EMPLOYEES (FROM S6/S6RAN) IF LESS THAN 10 GO TO C6

- C3.** I'd now like to ask you about a group of employees that we will call 'core employees'. By this we mean the group of employees at this establishment - *excluding managers* - whose skills and knowledge you feel make the greatest contribution to the success of your business.

Which broad job title describes your 'core employees'?

INTERVIEWER NOTE: IF MORE THAN ONE GROUP OF EMPLOYEES CAN BE DESCRIBED AS CORE, FOCUS ON CORE GROUP WITH LARGEST NUMBER OF EMPLOYEES. WRITE IN JOB TITLE ONLY. IF RESPONDENT IS ADAMANT THAT NO OTHER GROUP OF STAFF OTHER THAN MANAGERS ARE THE CORE GROUP PLEASE PROBE FULLY FOR WHAT TYPE AND LEVEL OF MANAGER

WRITE IN- ALLOW DK AND NULL

ASK C3A IF DK OR NULL AT C3

- C3A** In that case, can you please tell me what broad job title would describe those that you believe play the greatest role in making the key product or delivering the key service of your business?

INTERVIEWER NOTE: IF MORE THAN ONE GROUP OF EMPLOYEES CAN BE DESCRIBED IN THIS MANNER, FOCUS ON GROUP WITH LARGEST NUMBER OF EMPLOYEES. WRITE IN JOB TITLE ONLY. IF RESPONDENT IS ADAMANT THAT NO OTHER GROUP OF STAFF OTHER THAN MANAGERS FIT THIS GROUP PLEASE PROBE FULLY FOR WHAT TYPE AND LEVEL OF MANAGER

WRITE IN- ALLOW DK AND NULL

ASK C4 IF NOT NULL OR DK AT C3/C3A

- C4.** And specifically, what does this core group actually do?
PROBE FOR EXACT OCCUPATION AND WRITE IN. TO BE CODED TO SOC 4 DIGIT

--	--

ROUTING INSTRUCTION

READ OUT IF HAVE NO OR DON'T KNOW CORE EMPLOYEES (C3/C3A -NULL OR DK)

In that case, can I ask you to consider your managerial staff when answering the next few questions?

DUMMY SET TO INDICATE IF CORE GROUP IS ONE OF FOLLOWING

ALL STAFF	<10 EMPS (From S6/S6RAN)
CORE GROUP C3	>10 EMPS (FROM S6/S6RAN) & C3 NOT NULL OR DK
CORE GROUP C3A	>10 EMPS (FROM S6/S6RAN) & C3 NULL OR DK & C3A NOT NULL OR DK
MANAGERS	>10 EMPS (FROM S6/S6RAN) & C3 NULL OR DK & C3A NULL OR DK

- ASK C5 IF 10 OR MORE EMPLOYEES (FROM S6/S6 RAN)
- C5. What is the total number of people employed as **<text sub from C3/3A or management if C3/C3A Null or DK>**?

WRITE IN _____

IF DON'T KNOW PROMPT WITH RANGES BELOW:

1-4	1	
5-9	2	
10 – 24	3	
25 – 49	4	
50 – 74	5	
75 – 99	6	
100 – 149	7	
150 – 199	8	
200 -249	9	
250+	1	
Don't know	X	
Refused	Y	

- C6. **IF <10 employees (FROM S6/S6RAN)**
 What is the single most common level of formal qualifications held by staff at this establishment?
NOW GO TO C10 IF <10 EMPS AND RECRUITED FROM OUTSIDE ESTABLISHMENT (A11/1) IF <10 EMPS AND NOT RECRUITED GO TO SECTION D

IF =>10 employees (FROM S4/S4RAN)

What is the single most common level of formal qualifications held by those employed as **<text sub from C3/3A or management if C3/3A - Null or DK>**?
NOW GO TO C7

PROBE FULLY- READ OUT IF NECESSARY- CODE ONE ONLY

Codes		Example qualifications
1	First degrees and above	Higher degree
		NVQ level 5
		First degree
		Other degree
2	Other NVQ4 (below First degree level)	NVQ level 4
		Diploma in higher education
		HNC/HND, BTEC higher
		Teaching - further education
		Teaching - secondary education
		Teaching - primary education
		Teaching - level not stated
		Nursing etc
		RSA Higher diploma
		Other higher education below degree level
3	NVQ3	NVQ level 3
		GNVQ advanced
		A level or equivalent

		RSA advanced diploma or certificate
		OND/ONC, BTEC/SCOTVEC or SQA national
		City & Guilds advanced vocational
		Scottish 6th year certificate (CSYS)
		SCE higher or equivalent
		AS level or equivalent
		Trade apprenticeship
4	NVQ2	NVQ level 2 or equivalent
		GNVQ intermediate
		RSA diploma
		City & Guilds vocational
		BTEC/SCOTVEC or SQA first or general diploma
		O level, GCSE grade A-C or equivalent
5	NVQ1	NVQ level 1 or equivalent
		GNVQ/GSVQ foundation level
		CSE below grade 1, GCSE below grade C
		BTEC first or general certificate
		SCOTVEC/SQA modules or equivalent
		RSA other
		City & Guilds other
		YT/YTP certificate
6	No formal qualification	

ASK C7A-D-C10 IF =>10 EMPS (FROM S4/S4RAN)

- C7A. Has anyone been recruited to your establishment in the role of **<text sub from C3/3A or management if C3/3A Null or DK>** in the last 12 months from outside the establishment?
- C7B. Has anyone been recruited to the role of **<text sub from C3/3A or management if C3/3A Null or DK>** in the last 12 months from within the establishment?
- C7C. Has anyone left the role of **<text sub from C3/3A or management if C3/3A Null or DK>** to take up another role within this establishment in the last 12 months?
- C7D. Has anyone that was employed as **<text sub from C3/3A or management if C3/3A Null or DK>** left this establishment in last 12 months?

		YES	NO
A	Yes been recruited as <text sub from C3/3A or a manager if C3/3A Null or DK> from outside establishment	1	2
B	Yes been recruited as <text sub from C3/3A or as a manager if C3/3A Null or DK>from within establishment	1	2
C	Yes left role as <text sub from C3/3A or as a manager if C3/3A Null or DK> to take up another role within this establishment	1	2
D	Yes person employed as <text sub from C3/3A or manager if C3/3A Null or DK> left establishment in last 12 months	1	2

IF C7A/1 ASK C8A

C8A. How many people have been recruited to the role of **<text sub from C3/3A or manager if C3/3A Null or DK>** from outside this establishment in the last 12 months?

IF C7B/2 ASK C8B

C8B. How many people have been recruited to the role of **<text sub from C3/3A or manager if C3/3A Null or DK>** from within this establishment in the last 12 months?

IF C7C/3 ASK C8C

C8C. How many people have left the role of **<text sub from C3/3A or manager if C3/3A Null or DK>** to take up another role within this establishment in the last 12 months?

IF C7D/4 ASK C8D

C8D. How many people employed as a **<text sub from C3/3A or manager if C3/3A Null or DK>** have left the establishment in the last 12 months?

	C8A	C8B	C8C	C8D
WRITE IN-				
IF DON'T KNOW PROMPT WITH RANGES BELOW				
1-4	1	1	1	1
5-9	2	2	2	2
10 – 24	3	3	3	3
25 – 49	4	4	4	4
50 – 74	5	5	5	5
75 – 99	6	6	6	6
100 – 149	7	7	7	7
150 – 199	8	8	8	8
200 -249	9	9	9	9
250+	1	1	1	1
Don't know	X	X	X	X
Refused	Y	Y	Y	Y

C9. When you take on new recruits (**if =>10 employees: for <text sub from C3/3A or management if C3/3A Null or DK>**) to what extent would you say that they come readily equipped with the skills that you need?
Are they?

READ OUT – CODE ONE ONLY

Fully equipped	1
Have most of the skills but there's some need for development	2
Have some of the skills but need development	3
Have few of the skills and need significant development	4
Have none of the skills	5
Don't know	X

ASK C10 IF RECRUITED OUTSIDE ESTABLISHMENT FOR <CORE GROUP> [C8A>0] OR LESS THAN 10 EMPLOYEES AND RECRUITED IN LAST 12 MONTHS (S3/2 AND A11A/1)

C10. How easy has it been to meet your recruitment targets (if =>10 employees: for <text sub from C3/3A or management if C3/3A Null or DK>) **in the last 12 months?**
READ OUT- CODE ONE ONLY

Very easy	1	GO TO SECTION D
Quite easy	2	
Quite difficult	3	ASK C11
Very difficult	4	
Don't know	X	GO TO SECTION D
Refused	Y	

ASK C11 IF QUITE DIFFICULT OR VERY DIFFICULT AT C10 (CODED 3-4):

C11. What have been the two main reasons for these recruitment difficulties?
DO NOT READ OUT - CODE TWO MOST IMPORTANT REASONS ONLY.

Not enough applications	1	
Weak technical knowledge and understanding amongst applicants	2	
Weak communication and presentation skills	3	
Lack of suitable qualifications	4	
Lack of commercial understanding and awareness	5	
Lack of practical work experience amongst applicants	6	
Lack of work experience of any kind amongst applicants	7	
Not able to pay suitable salary	8	
Location of company unattractive to job-seekers	9	
Did not advertise widely enough	Y	
Other 1 (SPECIFY)	1	
Other 2 (SPECIFY)	X	
Don't know		

SECTION D: SKILL UPGRADING NEEDS AND TRAINING PLANS – CORE GROUP OF EMPLOYEES

IF <10 EMPLOYEES (FROM S4/S4RAN)

I'd now like to turn to the skills of people already employed here.

IF=>10 EMPLOYEES (FROM S4/S4Ran)

I'd now like to turn to the skills of people already employed here as <text sub from C3/3A or managers if C3/3A Null or DK>

ASK ALL

D1. Over the last 2-3 years have the skills needed (text sub if <10 employees *by employees at this site/* if =>10 employees *by* <text sub from C3/3A or management if C3/3A Null or DK>) **changed as a result of.....?**

READ OUT AND CODE ALL MENTIONED

The development of new products and services	1	
The introduction of new working practices	2	
The introduction of new technologies or equipment	3	
New legislative or regulatory requirements	4	
INTERVIEWER NOTE: DO NOT READ OUT IF ANYTHING CODED 1 – 4 Or would you say that your skills needs have changed but for none of these reasons.	5	SINGLE CODE ONLY
INTERVIEWER NOTE: DO NOT READ OUT IF ANYTHING CODED 1 – 4 Or that your skills needs have not really changed here in the last 2-3 years.	6	

ASK ALL

- D2. Over the next 12 months do you expect** (text sub if <10 employees *at this site* / if =>10 text sub from C3/3A or management if C3/3A Null or DK>) **will need to acquire new skills or knowledge as a result of.....?**

READ OUT AND CODE ALL MENTIONED

The development of new products and services	1	
The introduction of new working practices	2	
The introduction of new technologies or equipment	3	
New legislative or regulatory requirements	4	
What other reasons? WRITE IN ALL MENTIONED		

ASK ALL

- D3. Which, if any, of the following skills do you feel will need improving amongst** (text sub if <10 employees *at this site* / if =>10 text sub from C3/3A or management if C3/3A Null or DK>) **over the next 12 months?...**

CATI - ROTATE ORDER OF SKILLS (APART FROM IT SKILLS WHICH MUST ALWAYS APPEAR TOGETHER WITH IT USER SKILLS FIRST, FOLLOWED BY IT PROFESSIONAL SKILLS. TECHNICAL & PRACTICAL SKILLS, ANY OTHER SKILLS, NONE & DK MUST ALWAYS APPEAR LAST).

READ OUT - CODE ALL MENTIONED.

General IT or computing user skills	1	
IT or computing professional skills	2	
Communication skills	3	
Customer handling skills	4	
Team working skills	5	
Foreign language skills	6	
Problem solving skills	7	
Leadership or supervisory skills	8	
Numeracy skills	9	
Literacy skills	10	
Technical or practical skills	11	
Any other skills (WRITE IN)	12	
(DO NOT READ OUT) None	V	
(DO NOT READ OUT) Don't Know	X	

- IF TECHNICAL OR PRACTICAL SKILLS CODED AT D3 (CODE 11)
- D4. What are the most important types of technical or practical skill that will need to be upgraded for some or all employees** (if >10 employees text sub *amongst* <from C3/3A or management if C3/3A Null or DK>) **in the next 12 months?**
PROBE FULLY- RECORD VERBATIM
-
- IF GENERAL IT USER SKILLS CODED AT D3 (CODE 1):
- D5. What are the most important types of general IT or computing user skills that will need to be upgraded for some or all employees** (if >10 employees text sub *amongst* <from C3/3A or management if C3/3A Null or DK>) **in the next 12 months?**
PROBE FULLY- RECORD VERBATIM
-
- IF IT PROFESSIONAL SKILLS CODED AT D3 (CODE 2):
- D5a. What are the most important types of IT or computing professional skills that will need to be upgraded for some or all employees** (if >10 employees text sub *amongst* <from C3/3A or management if C3/3A Null or DK>) **in the next 12 months?**
PROBE FULLY- RECORD VERBATIM
-
- IF COMMUNICATION SKILLS CODED AT D3 (CODE 3):
- D6. What are the most important types of communication skill that will need to be upgraded for some employees** (if >10 employees text sub *amongst* <from C3/3A or management if C3/3A Null or DK>) **in the next 12 months?**
PROBE FULLY- RECORD VERBATIM
-
- IF LEADERSHIP OR SUPERVISORY SKILLS CODED AT D3 (CODE 8):
- D7. What are the most important types of leadership or supervisory skill that will need to be upgraded for some employees** (if >10 employees text sub *amongst* <from C3/3A or management if C3/3A Null or DK>) **in the next 12 months?**
PROBE FULLY- RECORD VERBATIM
-

-
- ASK ALL
- D8. How likely are you to organise the following types of training with the aim of improving skills or knowledge for employees** (if >10 employees text sub *amongst* <from C3/3A or management if C3/3A Null or DK>) **in the next 12 months. Would you say you were very likely, quite likely, not very likely or not at all likely?**
READ OUT EACH LINE – CODE ONE OF THE FOLLOWING

Note

On the job training in the work situation is planned periods of training, instruction or practical experience, in the immediate place of work, of which the primary purpose is training, not production

Examples of external training suppliers: FE colleges, commercial training providers, non-profit training organisations

		Very likely	Quite likely	Not very likely	Not at all likely
1	On the job training in the work situation	1	2	3	4
2	On site training carried out off the job provided by your own organisation	1	2	3	4
3	On site training carried out off the job provided by an equipment producer or supplier	1	2	3	4
4	On site training carried out off the job provided by any other kind of external training supplier	1	2	3	4
5	Off site training provided by your own organisation	1	2	3	4
6	Off site training provided by an equipment producer or supplier	1	2	3	4
7	Off site training provided by any other kind of external training supplier	1	2	3	4
8	Paid attendance at conferences, workshops or seminars where primary purpose is training or education	1	2	3	4
9	Paid time off for employees to attend external courses of training or study	1	2	3	4
10	Fees paid for employees to study or train in their own time	1	2	3	4
11	What other forms of training (Please specify)	1	2	3	4

D8A How likely is it that < if >10 employees text sub <from C3/3A or management if C3/3A Null or DK>will be able to acquire all the new skills and knowledge they need through informal on-the-job learning and information sharing or through self-study in the next 12 months.

Would you say that it was very likely, quite likely, not very likely or not at all likely?

Very likely	Quite likely	Not very likely	Not at all likely
1	2	3	4

IF ANSWERED VERY OR QUITE LIKELY TO AT LEAST ONE OF 4, 7, 9 OR 10 AT D8, ASK D9.

IF DID NOT ANSWER VERY OR QUITE LIKELY TO ANY OF 4, 7, 9 OR 10 AT D8, GO TO D14

D9. How likely are you to turn to each of the following types of external organisation to provide training for (if >10 employees text sub <from C3/3A or management if C3/3A Null or DK>) employees in the next 12 months?

READ OUT EACH LINE AND CODE ACCORDINGLY

		Very likely	Quite likely	Not very likely	Not at all likely
1	Commercial organisations, for example, consultants or private training providers	1	2	3	4
2	Non-profit making organisations, for example, employer associations, voluntary organisations	1	2	3	4
3	FE (Further Education) colleges	1	2	3	4
4	Universities or other Higher Education institutions	1	2	3	4

6	ASK ONLY IF A1/2 Your 'parent company'	1	2	3	4
7	Other providers (please specify)	1	2	3	4

SKIP D10-D13 IF DID NOT ANSWER VERY OR QUITE LIKELY (CODE 1-2) TO ANY OF OPTIONS 1, 2, 3 OR 4 AT D9.

ASK D10 IF ANSWERED VERY OR QUITE LIKELY TO OPTION 1 AT D9.

- D10. **What are the two most important reasons for considering using the services of commercial training providers?**
CODE TWO MOST IMPORTANT REASONS ONLY. ACCEPT SINGLE REASON IF ONLY ONE CAN BE GIVEN.
PROBE FULLY AND RECORD VERBATIM

REASON 1	1	
REASON 2	2	

ASK D11 IF ANSWERED VERY OR QUITE LIKELY TO OPTION 2 AT D9

- D11. **What are the two most important reasons for considering using the services of non-profit training organisations?**
CODE TWO MOST IMPORTANT REASONS ONLY. ACCEPT SINGLE REASON IF ONLY ONE CAN BE GIVEN.
PROBE FULLY AND RECORD VERBATIM

REASON 1	1	
REASON 2	2	

ASK D12 IF ANSWERED VERY OR QUITE LIKELY TO OPTION 3 AT D9.

- D12. **What are the two most important reasons for considering using the training services of FE colleges?**
CODE TWO MOST IMPORTANT REASONS ONLY. ACCEPT SINGLE REASON IF ONLY ONE CAN BE GIVEN.
PROBE FULLY AND RECORD VERBATIM

REASON 1	1	
REASON 2	2	

ASK D13 IF ANSWERED VERY OR QUITE LIKELY TO OPTION 4 AT D9.

- D13. **What are the two most important reasons for considering using the training services of universities or other higher educational establishments?**
CODE TWO MOST IMPORTANT REASONS ONLY. ACCEPT SINGLE REASON IF ONLY ONE CAN BE GIVEN
PROBE FULLY AND RECORD VERBATIM
-

REASON 1	1	
REASON 2	2	

ASK D14 IF ROUTED PAST D9 (NOT VERY OR QUITE LIKELY TO AT LEAST ONE OF 4, 7, 9 OR 10 AT D8) OR DID NOT ANSWER VERY OR QUITE LIKELY TO OPTION 1 AT D9- OTHERS GO TO INSTRUCTION ABOVE D15

- D14. **What are the two most important reasons for NOT considering using the services of commercial training providers?**
CODE TWO MOST IMPORTANT REASONS ONLY. ACCEPT SINGLE REASON IF ONLY ONE CAN BE GIVEN
PROBE FULLY AND RECORD VERBATIM

REASON 1	1	
REASON 2	2	

ASK D15 IF ROUTED PAST D9 (NOT VERY OR QUITE LIKELY TO AT LEAST ONE OF 4, 7, 9 OR 10 AT D8) OR DID NOT ANSWER VERY OR QUITE LIKELY TO OPTION 3 AT D9. OTHERS GO TO SECTION E

- D15. **What are the two most important reasons for NOT considering using the training services of FE colleges?**
CODE TWO MOST IMPORTANT REASONS ONLY. ACCEPT SINGLE REASON IF ONLY ONE CAN BE GIVEN
PROBE FULLY AND RECORD VERBATIM

REASON 1	1	
REASON 2	2	

SECTION E: PREVIOUS ENGAGEMENT WITH COLLEGES OR OTHER LOCAL TRAINING PROVIDERS – CORE GROUP OF EMPLOYEES

- E1. **Over the last 2-3 years have you used any of the following kinds of external training provider to try and improve the technical or practical skills or knowledge of (if >10 employees text sub <from C3/3A or management if C3/3A Null or DK>) employees?**

READ OUT

		Yes	No	DK
1	Commercial organisations, for example, consultants or private training providers	1	2	X
2	Non-profit making organisations, for example, employer associations, voluntary organisations, group training associations	1	2	X
3	FE (Further Education) colleges	1	2	X
4	Universities or other Higher Education institutions	1	2	X
5	Equipment producers / suppliers	1	2	X

ASK E1A FOR ALL CODED YES AT E1

E1a. Is the main _____ (READ OUT ALL CODED AT E1) that you have used in the last 2-3 years to try and improve the technical or practical skills or knowledge of (if >10 employees text sub <from C3/3A or management if C3/3A Null or DK>) employees a local institution?

(If necessary add- by main we mean the provider that you use for most training hours)

READ OUT

		Yes	No
1	Commercial organisations, for example, consultants or private training providers	1	2
2	Non-profit making organisations, for example, employer associations, voluntary organisations, group training associations	1	2
3	FE (Further Education) colleges	1	2
4	Universities or other Higher Education institutions	1	2
5	Equipment producers / suppliers	1	2

ASK E2A-E2G IF YES TO OPTION 1 AT E1- OTHERS GO TO E3

Referring to the main commercial training provider that you have used for technical or practical skills training: (If necessary add- by main we mean the provider that you use for most training hours)

E2a. How good an understanding of your company skill needs did this organisation have?

READ OUT- CODE ONE ONLY

Very good	1	
Quite good	2	
Not very good	3	
Not at all good	4	

E2b. How relevant was its training provision to your company's technical or practical skills training needs?

READ OUT- CODE ONE ONLY

Very relevant	1	
Quite relevant	2	
Not very relevant	3	
Not at all relevant	4	

E2c. How flexible was it in terms of adjusting the time and mode of technical or practical skills training provision to your company's needs?

READ OUT- CODE ONE ONLY

Very flexible	1	
Quite flexible	2	
Not very flexible	3	
Not at all flexible	4	

E2d. How cost-effective do you think this organisation's technical or practical skills training provision was?

READ OUT- CODE ONE ONLY

Very cost-effective	1	
---------------------	---	--

Quite cost-effective	2	
Not very cost-effective	3	
Not at all cost-effective	4	

- E2e. Overall, how effective did you find this organisation's technical or practical skills training?

READ OUT- CODE ONE ONLY

Very effective	1	
Quite effective	2	
Not very effective	3	
Not at all effective	4	

ASK E3A-E3G IF ANSWERED YES TO OPTION 3 AT E1-OTHERS GO TO E4
Referring to the main FE College that you have used for technical or practical skills training (If necessary add- by main we mean the college that you use for most training hours):

- E3a. How good an understanding of your company skill needs did the college have?

READ OUT- CODE ONE ONLY

Very good	1	
Quite good	2	
Not very good	3	
Not at all good	4	

- E3b. How relevant was its technical or practical skills training provision to your company's needs?

READ OUT- CODE ONE ONLY

Very relevant	1	
Quite relevant	2	
Not very relevant	3	
Not at all relevant	4	

- E3c. How flexible was the college in terms of adjusting the time and mode of technical or practical skills training provision to your company's needs?

READ OUT- CODE ONE ONLY

Very flexible	1	
Quite flexible	2	
Not very flexible	3	
Not at all flexible	4	

- E3d. How cost-effective do you think the college's technical or practical skills training provision was?

READ OUT- CODE ONE ONLY

Very cost-effective	1	
---------------------	---	--

Quite cost-effective	2	
Not very cost-effective	3	
Not at all cost-effective	4	

E3e. Overall, how effective did you find this college's technical or practical skills training?

READ OUT- CODE ONE ONLY

Very effective	1	
Quite effective	2	
Not very effective	3	
Not at all effective	4	

ASK ALL

E4. In the last 2-3 years have you used any of the following kinds of external training provider to try and improve the generic skills of (if >10 employees text sub <from C3/3A or management if C3/3A Null or DK>) **employees?**

Examples of 'generic skills': literacy, numeracy, customer services, oral communication skills, planning and organising skills, etc.

READ OUT

	Yes	No
1. Commercial organisations, for example, consultants or private training providers	1	2
2. Non-profit making organisations, for example, employer associations, voluntary organisations, group training associations	1	2
3. FE (Further Education) colleges	1	2
4. Universities or other Higher Education institutions	1	2

ASK E4A FOR ALL CODED YES AT E4

E4a. Is the main_____ (READ OUT ALL CODED AT E4) that you have used in the last 2-3 years to try and improve the generic skills of (if >10 employees text sub <from C3/3A or management if C3/3A Null or DK>) **employees a local institution?**

(If necessary add- by main we mean the provider that you use for most training hours)

READ OUT

	Yes	No
1 Commercial organisations, for example, consultants or private training providers	1	2
2 Non-profit making organisations, for example, employer associations, voluntary organisations, group training associations	1	2
3 FE (Further Education) colleges	1	2
4 Universities or other Higher Education institutions	1	2

ASK E5A-E5G IF CODED YES TO OPTION 1 AT E4 –OTHERS GO TO E6

Referring to the main commercial training provider that you have used for generic skills training:

- E5a. How good an understanding of your company's generic skill needs did this organisation have?

READ OUT - CODE ONE ONLY

Very good	1	
Quite good	2	
Not very good	3	
Not at all good	4	

- E5b. How relevant was its training provision to your company's generic skill needs?

READ OUT - CODE ONE ONLY

Very relevant	1	
Quite relevant	2	
Not very relevant	3	
Not at all relevant	4	

- E5c. How flexible was it in terms of adjusting the time and mode of training provision to your company's generic skill needs?

READ OUT - CODE ONE ONLY

Very flexible	1	
Quite flexible	2	
Not very flexible	3	
Not at all flexible	4	

- E5d. How cost-effective do you think this organisation's generic skills training provision was?

READ OUT - CODE ONE ONLY

Very cost-effective	1	
Quite cost-effective	2	
Not very cost-effective	3	
Not at all cost-effective	4	

- E5e. Overall, how effective did you find this organisation's generic skills training?

READ OUT - CODE ONE ONLY

Very effective	1	
Quite effective	2	
Not very effective	3	
Not at all effective	4	

ASK E6A-E6G IF ANSWERED YES TO OPTION 3 AT E4- OTHERS GO TO E7

Referring to the main FE College that you have used for generic skills training
(If necessary add- by main we mean the college that you use for most training hours):

- E6a. How good an understanding of your company's generic skill needs did the college have?

READ OUT - CODE ONE ONLY

Very good	1	
Quite good	2	
Not very good	3	
Not at all good	4	

- E6b. How relevant was its training provision to your company's generic skill needs?

READ OUT - CODE ONE ONLY

Very relevant	1	
Quite relevant	2	
Not very relevant	3	
Not at all relevant	4	

- E6c. How flexible was the college in terms of adjusting the time and mode of training provision to your company's generic skill needs?

READ OUT - CODE ONE ONLY

Very flexible	1	
Quite flexible	2	
Not very flexible	3	
Not at all flexible	4	

- E6d. How cost-effective do you think the college's generic skills training provision was?

READ OUT - CODE ONE ONLY

Very cost-effective	1	
Quite cost-effective	2	
Not very cost-effective	3	
Not at all cost-effective	4	

- E6e. Overall, how effective did you find this college's generic skills training?

READ OUT - CODE ONE ONLY

Very effective	1	
Quite effective	2	
Not very effective	3	
Not at all effective	4	

ASK E7 IF ANSWERED YES TO OPTIONS 1,2 OR 3 AT EITHER E1 OR E4 – OTHERS GO TO SECTION F

- E7. Can you please tell me the names of the two most important external training suppliers that you have used in the last 2-3 years to try and improve the skills

of (if >10 employees text sub <from C3/3A or management if C3/3A Null or DK>)employees?

RECORD BOTH NAMES MENTIONED UNDER RELEVANT HEADINGS. ACCEPT SINGLE ANSWER IF ONLY ONE NAME GIVEN. ASK FOR NAMES AND TOWNS OF COLLEGES AND/OR TRAINING PROVIDERS

	Name and town of training provider
1. Commercial organisations, for example, consultants or private training providers	1) 2)
2. Non-profit making organisations, for example, employer associations, voluntary organisations, group training association	1) 2)
3. FE (Further Education) colleges	1) 2)

SECTION F: Skill upgrading needs and training plans – largest occupational group

ASK SECTION F OF ESTABLISHMENTS WITH =>10 EMPLOYEES (FROM S4/S4RAN) – OTHERS GO TO SECTION G

For this next section I would like you to answer in relation to your largest group of employees rather than (text sub <from C3/3A or management if C3/3A Null or DK>) we have been discussing up till now.

ASK ALL

- F1. Which broad job title describes your largest group of employees at this establishment?
CODE ONE ONLY- PROBE TO FIND OUT IF SAME AS GROUP PREVIOUSLY DISCUSSED

WRITE IN JOB TITLE OF LARGEST GROUP	1	CONTINUE
Same group as (text sub <from C3/3A or management if C3/3A Null or DK>).	2	GO TO SECTION G
Don't know	3	

ASK F1A IF NOT CODED 2-3 AT F1

- F1A. **And specifically, what does this largest group actually do?**
PROBE FULLY AND WRITE IN. TO BE CODED TO SOC 3 DIGIT

--	--

- F2. **Which, if any, of the following skills do you feel will need improving among the** (text sub <largest occupational group from F1>) **over the next 12 months?...**

CATI - ROTATE ORDER OF SKILLS (APART FROM IT SKILLS WHICH MUST ALWAYS APPEAR TOGETHER WITH IT USER SKILLS FIRST, FOLLOWED BY IT PROFESSIONAL SKILLS. TECHNICAL & PRACTICAL SKILLS, ANY OTHER SKILLS, NONE & DK MUST ALWAYS APPEAR LAST).

READ OUT- CODE ALL MENTIONED

General IT or computing user skills	1	
-------------------------------------	---	--

IT or computing professional skills	2	
Communication skills	3	
Customer handling skills	4	
Team working skills	5	
Foreign language skills	6	
Problem solving skills	7	
Leadership or supervisory skills	8	
Numeracy skills	9	
Literacy skills	10	
Technical or practical skills	11	
Any other skills (WRITE IN)	12	
(DO NOT READ OUT) None	13	
(DO NOT READ OUT) Don't Know	X	

- ASK ALL**
- F3. How likely are you to organise the following types of training with the aim of improving skills or knowledge for <text sub-largest occupational group from F1>employees in the next 12 months. Would you say you were very likely, quite likely, not very likely or not at all likely?**
- READ OUT EACH LINE – CODE ONE OF THE FOLLOWING

Note

On the job training in the work situation is planned periods of training, instruction or practical experience, in the immediate place of work, of which the primary purpose is training, not production

Examples of external training suppliers: FE colleges, commercial training providers, non-profit training organisations

		Very likely	Quite likely	Not very likely	Not at all likely
1	On the job training in the work situation	1	2	3	4
2	On site training carried out off the job provided by your own organisation	1	2	3	4
3	On site training carried out off the job provided by an equipment producer or supplier	1	2	3	4
4	On site training carried out off the job provided by any other kind of external training supplier	1	2	3	4
5	Off site training provided by your own organisation	1	2	3	4
6	Off site training provided by an equipment producer or supplier	1	2	3	4
7	Off site training provided by any other kind of external training supplier	1	2	3	4
8	Paid attendance at conferences, workshops or seminars where primary purpose is training or education	1	2	3	4
9	Paid time off for employees to attend external courses of training or study	1	2	3	4
10	Fees paid for employees to study or train in their own time	1	2	3	4
11	What other forms of training (Please specify)	1	2	3	4

IF ANSWERED VERY OR QUITE LIKELY TO AT LEAST ONE OF 4,7,9, OR 10 AT F3, ASK F4

IF DID NOT ANSWER VERY OR QUITE LIKELY TO ANY OF 4,7,9, OR 10 AT F3,
GO TO F9

ASK F3A FOR ALL CODED YES AT F3

- F4. How likely are you to turn to each of the following types of external organisation to provide training for < text sub-largest occupational group from F1> employees?**

(If necessary add- by main we mean the provider that you use for most training hours)

READ OUT EACH LINE AND CODE ACCORDINGLY

		Very likely	Quite likely	Not very likely	Not at all likely
1	Commercial organisations, for example, consultants or private training providers	1	2	3	4
2	Non-profit making organisations, for example, employer associations, voluntary organisations, group training associations	1	2	3	4
3	FE (Further Education) colleges	1	2	3	4
4	Universities or other Higher Education institutions	1	2	3	4
5	Other providers (please specify)	1	2	3	4

IF ANSWERED VERY OR QUITE LIKELY TO AT LEAST ONE OF 4, 7, 9 OR 10 AT F3,
ASK F5.

IF DID NOT ANSWER VERY OR QUITE LIKELY TO ANY OF 4, 7, 9 OR 10 AT D8, GO TO F9

ASK F5 IF ANSWERED VERY OR QUITE LIKELY TO OPTION 1 AT F4

- F5. What are the two most important reasons for considering the services of commercial training providers for training< text sub-largest occupational group from F1> employees?**

WRITE IN THE TWO MOST IMPRTANT REASONS ONLY. ACCEPT SINGLE REASON IF ONLY ONE CAN BE GIVEN

PROBE FULLY- RECORD VERBATIM

REASON 1	1	
REASON 2	2	

ASK F6 IF ANSWERED VERY OR QUITE LIKELY TO OPTION 2 AT F4

- F6. What are the two most important reasons for considering the services of non-profit training organisations for training< text sub-largest occupational group from F1> employees?**

WRITE IN THE TWO MOST IMPRTANT REASONS ONLY. ACCEPT SINGLE REASON IF ONLY ONE CAN BE GIVEN

PROBE FULLY- RECORD VERBATIM

REASON 1	1	
REASON 2	2	

- F7. ASK F7 IF ANSWERED VERY OR QUITE LIKELY TO OPTION 3 AT F4
What are the two most important reasons for considering the training services of FE colleges for training< **text sub-largest occupational group from F1**> employees?
WRITE IN THE TWO MOST IMPRTANT REASONS ONLY. ACCEPT SINGLE REASON IF ONLY ONE CAN BE GIVEN

PROBE FULLY- RECORD VERBATIM

REASON 1	1	
REASON 2	2	

- F8. ASK F8 IF ANSWERED VERY OR QUITE LIKELY TO OPTION 4 AT F4
What are the two most important reasons for considering the training services universities or other higher educational institutions for training< **text sub-largest occupational group from F1**> employees?
WRITE IN THE TWO MOST IMPRTANT REASONS ONLY. ACCEPT SINGLE REASON IF ONLY ONE CAN BE GIVEN

PROBE FULLY- RECORD VERBATIM

REASON 1	1	
REASON 2	2	

ASK F9 IF ROUTED PAST F5 (DID NOT ANSWER VERY OR QUITE LIKELY TO AT LEAST ONE OF 4, 7, 9 OR 10 AT F3) OR DID NOT ANSWER VERY OR QUITE LIKELY TO OPTION 1 AT F4- OTHERS GO TO INSTRUCTION ABOVE F10

- F9. What are the two most important reasons for NOT considering the services of commercial training providers for training< **text sub-largest occupational group from F1**> employees?
WRITE IN THE TWO MOST IMPRTANT REASONS ONLY. ACCEPT SINGLE REASON IF ONLY ONE CAN BE GIVEN

PROBE FULLY- RECORD VERBATIM

REASON 1	1	
REASON 2	2	

ASK F10 IF ROUTED PAST F5 (NOT VERY OR QUITE LIKELY TO AT LEAST ONE OF 4, 7, 9 OR 10 AT F3) OR DID NOT ANSWER VERY OR QUITE LIKELY TO OPTION 3 AT F4- OTHERS GO TO F11

- F10. What are the two most important reasons for NOT considering the services of FE colleges for training< **text sub-largest occupational group from F1**> employees?
WRITE IN THE TWO MOST IMPRTANT REASONS ONLY. ACCEPT SINGLE REASON IF ONLY ONE CAN BE GIVEN

PROBE FULLY- RECORD VERBATIM

REASON 1	1	
REASON 2	2	

- F11. **Over the last 2-3 years, have you used any of the following kinds of external training provider to try and improve the technical or practical skills or knowledge of < text sub-largest occupational group from F1> employees?**

READ OUT

	Yes	No	DK
1. Commercial organisations, for example, consultants or private training providers	1	2	X
2. Non-profit making organisations, for example, employer associations, voluntary organisations	1	2	X
3. FE (Further Education) colleges	1	2	X
4. Universities or other Higher Education institutions	1	2	X
4. Equipment producers /suppliers	1	2	X

ASK ALL

- F12. Over the last 2-3 years, have you used any of the following kinds of external training provider to try and improve the generic skills of < text sub-largest occupational group from F1> employees?**

Examples of 'generic skills': literacy, numeracy, customer services, oral communication skills, planning and organising skills, etc.

READ OUT

	Yes	No	DK
1. Commercial organisations, for example, consultants or private training providers	1	2	X
2. Non-profit making organisations, for example, employer associations, voluntary organisations	1	2	X
3. FE (Further Education) colleges	1	2	X
4. Universities or other Higher Education institutions	1	2	X

ASK F13 IF ANSWERED YES TO OPTIONS 1,2 OR 3 AT EITHER F11 OR F12- OTHERS GO TO SECTION G

- F13. Can you please provide the names of the two most important external training suppliers that you have used in the last 2-3 years to try and improve the skills of <largest occupational group> of employees?**

RECORD BOTH NAMES MENTIONED UNDER RELEVANT HEADINGS. ACCEPT SINGLE ANSWER IF ONLY ONE NAME GIVEN. ASK FOR NAMES AND TOWNS OF COLLEGES AND/OR TRAINING PROVIDERS

	Name and town of training provider
1. Commercial organisations, for example, consultants or private training providers	1) 2)
2. Non-profit making organisations, for example, employer associations, voluntary organisations, group training associations	1) 2)
3. FE (Further Education) colleges	1) 2)

SECTION G: CONTACTS INITIATED BY COLLEGES AND TRAINING PROVIDERS

- G1. In the last 12 months have the following contacted you to provide information about the courses they currently provide...**

READ OUT

	Yes	No	DK
Local colleges	1	2	X

Local commercial training providers	1	2	X
National or non-local providers	1	2	X

ASK G2 FOR EACH 'YES' AT G1 (IF ALL NO AT G1 GO TO G3)

- G2. In the last 12 months approximately how many occasions have (EACH 'Yes' AT G1) contacted you to provide information about the courses they currently provide?**

WRITE IN NUMBER OF OCCASIONS CONTACTED BY LOCAL COLLEGES (1 – 99) _____

WRITE IN NUMBER OF OCCASIONS CONTACTED BY TRAINING PROVIDERS (1 - 99) _____

IF DK, PROMPT USING BANDS

	G2a. Local colleges	G2b. Training providers	G2c. National or non-local providers
Once	1	1	1
Twice	2	2	2
3-5 times	3	3	3
>5 times	4	4	4
Don't know	X	X	X

ASK ALL

- G3. In the last 12 months have any of the following contacted you to ask for your views on the courses they provide ...**
READ OUT - CODE ALL MENTIONED

Local colleges	1	
Other local training providers	2	
National or non-local providers	3	
(DO NOT READ OUT) None of these consult with us	V	SINGLE CODE
(DO NOT READ OUT) Don't know	X	

ASK ALL

- G4. In the last 12 months have any of the following involved your business in developing their future curriculum ...**
READ OUT- CODE ALL MENTIONED

Local colleges	1	
Other local training providers	2	
National or non-local providers	3	
(DO NOT READ OUT) None of these consult with us	V	SINGLE CODE
(DO NOT READ OUT) Don't know	X	

ASK ALL

- G5. In the last 12 months have any of the following offered to provide tailor-made courses for your company or its employees ...**
READ OUT - CODE ALL MENTIONED

Local colleges	1	
Other local training providers	2	
National or non-local providers	3	
(DO NOT READ OUT) None of these consult with us	V	SINGLE CODE
(DO NOT READ OUT) Don't know	X	

SECTION H: CONCLUDING QUESTIONS

ASK ALL

- H1. **Are there any other important skill upgrading needs in your establishment that we haven't touched on in this interview?**

PROBE FULLY - WRITE IN VERBATIM

- H2. **Just one last question:
Independent researchers working for the Skills for Business Network or government departments will be doing some more work in this area. Would you be happy for your name to be passed on to these researchers in order to discuss some of these issues further with you?**

Yes	1	
No	2	

IF YES

Respondent's Name

Respondent's Telephone Number

IF NO-

REASSURE THAT THEIR NAME WILL NOT BE PASSED ON

THANK AND CLOSE

List of previous SSDA Publications

Please note all publications can be downloaded from our website www.ssda.org.uk

Research Report 1

Skills for Business 1000

Research Report 2

Evaluation of the Trailblazer Phase of the Sector Skills Council Network

Research Report 3

Skills for Business Network – Phase I Evaluation

Research Report 4

Skills for Business 2003 – Survey of Employers

Research Report 5

Skills Pay: The Contribution of Skills to Business Success

Research Report 6

The UK Skills and Productivity Agenda: The Evidence Base for the SSDA's Strategic Plan 2005-2008

Research Report 7

The UK Workforce: Realising our Potential

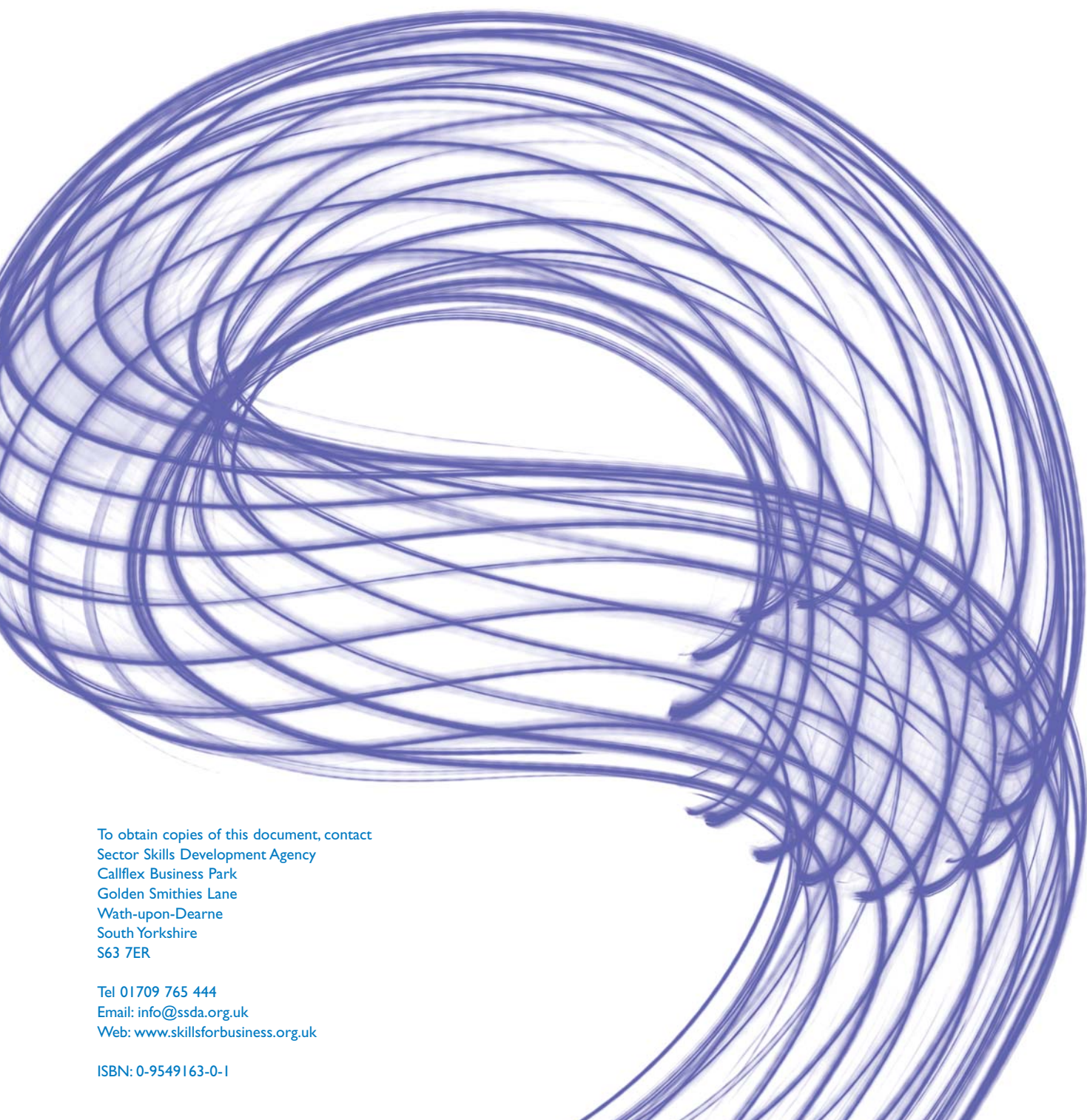
Research Report 8

Sectoral Management Priorities: Management Skills and Capacities

Working Futures: National Report 2003-04

Working Futures: Regional Report 2003-04

Working Futures: Sectoral Report 2003-04



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