SKILLS DIALOGUES: LISTENING TO EMPLOYERS

11

An Assessment of Skill Needs in the Media and Creative Industries

A comprehensive summary of skills requirements
In the Media and Creative Industries Sector

Research undertaken by

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Foreword

This substantial report brings together both new and existing detailed information about the media and creative industries. As the Skills Dialogue title suggests, the crux of this report has depended upon a dialogue between the interested parties, at the heart of which was national seminar.

A Skills Dialogue may sound like another piece of jargon but if it means that greater attention is given to skill needs at a broad-sectoral level then I think this is a welcome step forward. This report has drawn out the key skills issues to help inform Government and its agencies at national, regional and local levels, thereby making an authoritative statement on skill needs for a number of sectors, which although distinct, share some common themes and experiences.

The sectors represented in the report are the audio-visual industries, publishing media, design, printing and photo imaging. A very broad, diverse but interesting grouping. At first glance you can see why the Department for Education and Skills feels that these sectors can benefit by coming together, because they are inter-linked, sharing some common interests, needs and issues. In my own career, however, I have moved from printing to broadcasting and publishing, and as much as they have in common, they have more that is unique and distinct. They are different sectors, with different markets for their products and services.

It is a complicated picture. But more than that it is a changing one. Technology is having an impact on the ways that we do business. Our customers want what we produce in different ways and it changes the way that we work together. So within this 'broad' sector, the linkages between us are changing. I am sure that this Skills Dialogue will be useful in highlighting how these sectors interlink and where they are distinct.

All employers want to attract the best people into their businesses to help create a competitive advantage and we all need to be at the forefront of the digital technologies that are revolutionising our industries. Government and the media and creative industries need to work in partnership to agree the action necessary to make a real difference to education and training provision in the sectors we represent. We all need to confront equality issues and ensure that we have a diverse and committed workforce. We must also give attention to the real difficulties small businesses face in making skills development a priority. This is why this report has been such a valuable undertaking and why it is so important to the future good health of our industries.

Bob Phillis
Chief Executive, Guardian Media Group
Chair, Publishing NTO

Executive Summary

The Media and Creative Industries Skills Dialogue

The Media and Creative Industries Skills Dialogue covers a number of sectors that have been brought together to develop a broad sector response to current and emerging workforce development needs. Sectors covered include:

- audio-visual industry (including broadcast, film, video and interactive media, represented by Skillset);
- design (represented by the Small Firm Enterprise Development Initiative);
- photo-imaging (represented by the Photo-imaging NTO);
- print and graphic communication (represented by the PGC NTO);
- publishing, which covers books, journals, newspapers, magazines and electronic information services (represented by the Publishing NTO).

The media and creative sectors are a family of interlinked industries. Whilst these share several common interests, needs and difficulties, across the spectrum of new technological developments, they are widely different sectors with markets for their products and services, which differ widely in size, scope and characteristics.

Employment

Structure of the industry

The industries covered by this Skills Dialogue typically have large numbers of small firms. A number of the sectors have a few large, well-known employers (particularly in the broadcasting and publishing sectors) but these are balanced by several thousand small companies.

Employment levels

Collectively the sectors represented in this Skills Dialogue employ over 960,000 people, including 200,000 in the audio-visual industry, 129,000 designers, 151,000 in the photo-imaging sector, 207,000 in print and graphic communication, and 280,000 in publishing.

Overall, employment within the group has grown, but this is a result of different trends within the group. Employment in printing has been declining whilst that in broadcasting, design, photo-imaging and publishing has been increasing.

Looking to the future, the available data all suggest that there will be further growth. Employment in printing will stabilise, whilst that of the occupational groups who make up much of the other sectors are expected to show significant growth: designers, journalists and media professionals.

Occupational distribution of employment

There is a marked difference in the occupational make-up of the sectors. Design consists of a single group. Publishing and audio-visual are heavily skewed to specialised, higher-level occupations. Printing has a higher proportion of manufacturing-based occupations.

Geographical distribution of employment

Employment as a whole is biased to London and the South East, an outcome that is the result of some of the industry groups (design, publishing and audio-visual in particular) having a concentration of employment in these regions. The other groups are more equally distributed across the UK.

Freelances and self-employment

The sectors covered have relatively high levels of 'non-traditional' employment patterns, flexible forms of employment contract are often in use in the sector.

Both publishing and audio-visual employers make wide use of freelance workers. Eighty per cent of employers in publishing use freelance workers, mainly in editorial. Of the available workforce in audio-visual, around half are freelance. The issues are the same in the photo-imaging sector (whilst the term 'freelance' is not in common use) with self-employed people working for a range of customers and clients on short-term projects.

Demographic make-up of the workforce

The demographics of the workforce vary widely across the individual sectors. Publishing, broadcasting and design have a predominantly young workforce, well represented in terms of women. The photo-imaging sector has a good spread of different age groups working within the sector. Printing has a largely male workforce, with an average age of 48, and with continuing declines in the numbers of young people entering the sector.

Whilst consistent data is not held across all the sectors, it appears that employment levels of people from ethnic minority groups is roughly in line with that of the national average. However, it needs to be remembered that many of the activities of media and creative industry employers are concentrated in major metropolitan centres, particularly London. Given that cities are also the areas with the greatest concentrations of people from ethnic minorities, it could be argued that the proportion of people from ethnic minorities should be higher than the national average and that these groups remain under-represented in the sector.

Qualifications and skills

Overall, the media and creative sectors tend, on average, to employ a more highly-qualified workforce than that of the UK as a whole. This varies across the sectors: the design, audio-visual and publishing sectors are very highly qualified. In publishing, for example, five per cent of employees were qualified to level 5 or equivalences and above, 44 per cent to level 4 and above, 67 per cent to Level 3 and above. Over 80 per cent of freelancers in the audio-visual industry are graduates, with 30 per cent of these educated to postgraduate level.

Printing and photo-imaging have a less well-qualified workforce. New entrants to the photo-imaging sector do not appear to be highly qualified: of the 2,000 people who join each year, only 20 per cent have any formal training or qualification at any level, with only 18 per cent being recruited from further and higher education.

Skills supply issues

Employer-based training

Recruitment of people, particularly those who have come straight from the education system (but by no means exclusively these) will generally be accompanied by some employer-based training. In addition, employers are aware of the changing nature of skill requirements and many do provide training.

There would appear to be considerable scope for increasing and promoting levels of HR planning within the media and creative sectors. At an overall level it would appear that those that do **not** engage in human resource planning are in the majority, with the general pattern being that it is mainly larger companies who engage in a formal planning of training.

Comparing the extent of training provision over the different sectors is particularly problematic because of different definitions used in the various surveys. Whilst there appears to be wide variations in the propensity of employers to provide training, this may be as much a result of these definitional factors as a reflection of reality. For example, data for publishing encompasses all training, yet that used by the printing sector is a tighter definition and excludes health and safety and induction training.

Regardless of the actual level of training provision, there are a number of common themes which appear to hold true across all the sectors, in that employers are more likely to offer their employees training if they:

- are larger: the bigger the employer the more likely that training activity takes place;
- have business and training planning mechanisms in place;
- have an IT and technology base that is relatively sophisticated.

These factors are inter-related: larger companies are more likely to have planning mechanisms in place and are more likely to have invested in sophisticated technology. However, there are also examples of small companies which have planning processes and provide training: in essence, these small companies are displaying 'big firm' tendencies. Whilst we can identify these positive clusters of attributes we do not know what leads to them existing and because of this, how to promote them.

There is a considerable range of training being offered within each of the sectors, with employers offering both highly formalised, often college-based, training alongside less formal on-the-job training. Evidently employers have identified different training routes for different problems.

Involvement in Government initiatives

Evidence suggests that awareness of Investors in People is high across employers regardless of sector. However, awareness may be lower amongst smaller firms and there may be a greater need to improve understanding and generate involvement.

There are some concerns that it is difficult for micro businesses to involve themselves with Investors in People. Small companies tend to operate on a relatively informal basis, which does not always sit easily with the systematic and formal approach required to meet the Investors in People award.

National Occupational Standards and (to a lesser extent) **NVQs/SVQs** are available in nearly all the sectors covered. Reactions to NVQs have been mixed: levels of take-up in photo-imaging and printing are seen as encouraging, whilst in publishing take-up has been far lower. Within the audio-visual industry, take-up has been high in areas such as lighting and camera, but lower in new or emerging areas such as interactive media. However, it is known that the existing standards are used by the larger organisations for purposes other than the award of the qualification. Many use the standards as the basis for in-company training and appraisal.

The print sector has been in the forefront of the drive to increase the number of young people achieving **Modern Apprenticeships**. Between 1995 and 2000 a total of 3,089 registered on Advanced Modern Apprenticeships in England and Wales. Foundation Modern Apprenticeships were less popular. In terms of employer involvement, 21 per cent of employers are currently involved and a further 15 per cent plan to do so over the next 12 months. The take-up in other sectors has been limited to date.

Recruitment, skills and retention

Each of the sectors reported the existence of **hard-to-fill vacancies**, with about one employer in every 10 having positions they are finding it difficult to fill. Specific points to note on hard-to-fill vacancies are that:

- they can be very sector specific: in the printing sector the most common occupation with hard-to-fill vacancies is machine printers; in publishing the shortage areas relate to vacancies for editorial jobs, where one in four (26 per cent) vacancies were proving hard-to-fill; in audio-visual, production accountancy in film remains a shortage area, while broadcasters continue to report difficulties recruiting broadcast engineers. The rapid growth of the interactive media sector has posed challenges for the development of management skills and effective teamworking;
- they can be geographically limited. In publishing **hard-to-fill vacancies** are predominantly a London phenomena, with over a third of publishers (35 per cent) facing hard-to-fill vacancies, compared to seven per cent in the rest of England.

The hard-to-fill vacancies are having a range of impacts on employers: preventing businesses from moving forwards in terms of developing new products and services and refining existing products and services; maintaining quality standards; loss of business opportunities and increased operating costs (40 per cent).

Internal skill gaps are skills shortages amongst the existing workforce. The experience of these varies across the media and creative industries. In the photo-imaging sector half of all employers thought that there were occupations with skill gaps. A fifth of employers in the printing sector believe that they are currently suffering from skills gaps. However in publishing the majority of employers believe that all their employees, in each of the staff groups, are fully proficient at their jobs.

There are a number of common areas of skill gaps, mainly in the area of IT. However, individual sectors have gaps that are specific to them: in photo-imaging skill gaps relate to digital technology, in printing to the ability to operate printing machinery.

In addition, it is possible that the incidence of skills shortages is under-reported. **Unreported skill shortages** and **latent skill gaps** are skill deficiencies not recognised by employers, or resulting from outmoded business strategies, but which constrain the potential for economic success. Were employers to set higher goals to achieve better performance then they would recognise greater skill deficiencies than at present.

There is also emerging evidence that **retention** of staff may be an issue for employers. In publishing, a fifth of employers believe that retention rates were adversely affecting their company's performance. Difficulties with retention may have eased over the last two years with the difficulties that some companies have faced, and in particular the bursting of the 'dot.com' bubble, but can be expected to re-emerge as the economy grows.

Emerging skills issues

There are a number of key drivers that will influence the future demand for skills, which include:

- **economic:** the overall level of economic growth;
- **changing patterns of demand:** customers are changing the ways that they want products and services delivered;
- **changing patterns of doing business:** technological change is perhaps the most important driver of skill demand, as it is altering the ways in which companies produce their output.

These factors are having an increased impact on skills needed in the industry, with demands for these new skill areas to be mapped onto existing skill bases of employees. The need will be for employees to be able to do their jobs to a higher standard, at an ever-increasing rate.

Recommendations in brief

The recommendations can be summarised as follows:

- employers across the sectors need to maintain the profile of the media and creative industry as attractive to work in, and one that seeks to employ the most highly qualified and skilled in ways that allow them to use their creative skills in a business environment;
- the sectors need to put in place a work programme so that they fully understand the labour market dynamics which impact upon retention, both for individual firms (the factors which prompt people to leave for other companies) and for the industry (the factors which prompt people to leave the media and creative sectors);
- the media and creative industries need to continue the dialogue with education providers with an aim to:
  - improving standards, which may require a greater level of funding for, and quality assurance of, provision. The emphasis has to be on ‘better’ not simply ‘more’;
  - improving the level of ‘work-readiness’ of graduates, possibly by including more work-relevant aspects (eg studio-based working for design), visiting lecturers, work experiences and/or sandwich elements in courses;
- employers need to provide more work placements to give young people a start. It is recognised that employers find it hard to dedicate time to organise these properly, but the sectors must:
  - offer support to help employers manage these; and
  - publicise the benefits of work placements, not least that they are a means of saving on recruitment costs, by identifying potential talent early;

- the media and creative industries need to examine the current state of careers information to build on that which is already available and to build active and accurate careers information and guidance. The industries need to increase their involvement in careers activities from ‘cradle to grave’;
- consideration is needed on how people from a wider range of backgrounds can be encouraged to enter the sectors. The industry needs to consider a range of issues and options, including:
  - examining whether its current careers advice presents a barrier to any young person entering the industries;
  - subsidised courses, bursaries etc, to ensure that the drive for more qualifications does not work counter to the need for widening access;
  - how to attract those from a diversity of backgrounds. Options could include the use of placements for school leavers and greater industry participation at a pre-16 level;
- the sectors should instigate a programme of research and action to examine what barriers exist that may prevent women returning to work and how these barriers can be minimised;
- the industries need to consider a programme of work that will encourage small firms to develop their workforce. This may include:
  - working with large employers in each of the sectors to ‘open up’ their training for the benefit of the industry;
  - putting in place quality assurance mechanisms. There is some debate about who is to play this role, but it may be something for the new network of Sector Skills Councils to consider;
  - work with learning providers to make learning on offer ‘small firm friendly’ ie bite-sized, cheap, timely and relevant. There may also be substantial scope for more delivery via IT. Provision should be responsive to individual’s needs and allowed to build on informal development;

There is a need to continue the development of partnerships between employers in the sectors, the industry representative bodies (NTOs, SSCs and SFEDI) and other bodies, including the Small Business Service, Business Link and Investors in People UK;

- the industries need to consider an initiative that encourages small firms to become more involved in workforce development. This should be particularly focussed on managerial and business skills;

- the industries need to consider further the training needs of freelances. Initiatives may include:
  - a promotion campaign which encourages the culture of lifelong learning, which will encourage freelances to invest in their own training;
  - subsidies to help with the costs of training;
  - discussions with the Department for Education and Skills to reinstate the Individual Learning Account (ILA) initiative, which has the potential to contribute towards skill development for freelances;
- the NTOs and SSCs need to form (or re-form) relationships with Investors in People UK to further promote the IiP initiative in their sectors. Particular points that need focussing on are:
  - developing greater understanding of how the Standard works and the benefits that it may bring. Any new campaign needs to move beyond simple awareness;
  - breaking down elements of the Standard into bite-sized pieces to attract small companies. It may be particularly appropriate to develop and offer stand-alone elements, for example, a business planning module or a training needs analysis module.

1. Introduction

1.1 Introduction

This is the report of the media and creative industries Skills Dialogue, one of a series of 16 dialogues being undertaken at a sectoral level by the Department for Education and Skills and other Government Departments and the devolved administrations in partnership with National Training Organisations (NTOs) and Sector Skills Councils (SSCs).

1.2 Background to the Skills Dialogues

Skills Dialogues originate from a recommendation in the National Skills Taskforce report *'Delivering Skills for All'* that greater attention should be given to skill needs at a sectoral level. The Dialogues constitute a series of consultations with major industries leading to an authoritative skills assessment for each of the broad sector groupings. As a result these Dialogues will improve the quality of skills information available at a sectoral level.

Skills Dialogues build on the work of individual NTOs and SSCs, with the aim of drawing out key messages to form an important input into the decision-making process in Government and its agencies, including Learning and Skills Councils and Regional Development Agencies. The Dialogues use the work of individual NTOs and SSCs but cover broader industrial groupings so as to aid strategic planning and make the information base more manageable.

Each Dialogue report results from a process of consultation with the main organisations and employers in the sectors and a wide-ranging analysis of existing material on skills supply and demand and factors influencing skills trends. This material is brought together into a draft discussion document for consultation at a national seminar, involving those with a key interest in the sectors such as; employers, Sector Skills Councils, NTOs, further and higher education institutions, funding and qualification bodies, trade unions, professional associations and government departments. The final report takes on board the comments from all those involved in the Dialogue and provides a comprehensive analysis of the skill needs and an authoritative statement about skill trends in the linked sectors.

1.3 The media and creative industries Skills Dialogue

1.3.1 The sectors represented

The media and creative industries Skills Dialogue covers a number of sectors that have been brought together to develop a broad sector response to current and emerging workforce development needs. Sectors covered include:

- audio-visual (including broadcast, film, video and interactive media, represented by Skillset);
- design (represented by the Small Firm Enterprise Development Initiative - SFEDI);
- photo-imaging (represented by the Photo-imaging NTO);
- print and graphic communication, covering all printing activity and printed packaging (represented by the Print & Graphic Communication NTO);
- publishing, which covers books, journals, newspapers, magazines and electronic information services (represented by the Publishing NTO).

The media and creative sectors are a family of interlinked industries. Whilst they share several common interests, needs and difficulties, across the spectrum of new technological developments, they are widely different sectors, with markets for their products and services that differ widely in size, scope and characteristics.

These industry definitions have been translated into a SIC 92-based definition for the Dialogue as in Table 1.1.

Table 1.1: SIC 92 - based definitions for the Dialogue translated from industry definitions

Audio-visual	22.31	Reproduction of sound recordings
	22.32	Reproduction of video recordings
	22.33	Reproduction of computer media
	72.60	Other computer related activities
	92.11	Motion picture & video production
	92.12	Motion picture & video distribution
	92.13	Motion picture projection
	92.20	Radio & television activities
Photo imaging	24.64	Manufacture of photographic chemical material
	33.40/3	Manufacture of photographic and cinematographic equipment
	51.47/2	Wholesale of other household goods nec
	52.48/2	Retail sale of photographic equipment
	74.81	Photographic activities (includes photography and photographic processing)

Print and graphic communication	21.21/1	Manufacture of corrugated paper and paperboard, sacks and bags
	21.21/9	Manufacture of cartons, boxes, cases and other containers
	22.21	Printing of newspapers
	22.22	Printing not elsewhere classified
	22.23	Bookbinding and finishing
	22.24	Composition and plate making
	22.25	Other activities related to printing
	28.72	Manufacture of light metal packaging
Publishing	22.11	Book publishing
	22.12	Newspaper publishing
	22.13	Journal and periodical publishing
	22.15	Other publishing

The SIC-based definitions have severe limitations when applied to the media and creative industries. Particular problems are that:

- there is no single definition of the design industry in SIC code terms. At best, it may form part of 74, ‘other business activities’, but the proportion of employment within this code that is accounted for by designers is likely to be small;
- the photo imaging industry is spread across a range of SIC codes, which reflects its representation through the supply chain from the manufacture of chemical materials through to retail. However, data at four and five digit SIC codes is not readily available and the photographic element does not form a significant part of any of the three digit sectors;
- much of the emerging and important ‘new media’ sector is contained within 72.60, which is a ‘catch-all’ coding for the hardware and software sector.

Indeed the design sector is not best represented by a SIC code but by an occupational definition of ‘design associate professionals’ (SOC 2000 code 342). In addition ‘media associate professionals’ (SOC 2000 code 343) largely contains journalists and is of particular relevance to the audio-visual and publishing sectors.

1.3.2 Data and information sources

Existing data sources

Data for the Dialogues comes from a number of sources, including:

- research conducted by NTOs, such as their Skills Foresight reports. Each of the organisations within the media and creative industries Skills Dialogue has provided Skills Foresight information in either hard or electronic copies, which is referred to throughout the report;
- national research projects sponsored by Department for Education and Skills such as the Labour Force Survey (LFS) and the Annual Business Inquiry. This is made available in the form of a data pack from the Department for Education and Skills and contains projections and historical material, Employer Skills Survey material and sector commentaries.

Both data sources are problematic. The data pack provided by the Department for Education and Skills is based on SIC code classifications. As shown, these do not apply particularly well to the areas of economic activity covered by the media and creative industries, and:

- projections data is only available for the 'media' group, which covers paper, printing and publishing and includes SIC92 groups 21 and 22. This therefore combines the activities of the Publishing and Print and Graphic Communication NTOs, but provides no data for the other areas;
- data from the Employer Skills Survey is at best only available at three-digit SIC codes, which again do not suit the media and creative industries grouping particularly well. The three digit SIC codes only cover information for publishing (SIC 22.1), print and graphic communication (SIC 22.2) and parts of the audio-visual sector (SIC 22.3 and 92.1). Again, there is no explicit representation of employees in photo imaging or design (although the latter will be covered when they are employed in the publishing, printing and broadcasting industries) and the data misses out the substantial emergence of 'new media'.

These shortfalls in data from national sources mean that it is perhaps of less value than for some other Dialogue reports. However, the overall shortcomings are compounded by the fact that the design industry has not been covered by a National Training Organisation and therefore has not been required by the Department for Education and Skills to undertake a Skills Foresight research programme. Thus means there is no specific sectoral information to compensate for the lack of national information.

Thus, although there is considerable information available, it is not distributed equally across each of the sectors and gaps exist. Because of this, a programme of primary research was necessary to cover these information gaps.

Primary research

To overcome the shortcomings of the existing data, further quantitative and qualitative research was undertaken. This included:

- a telephone survey of 156 design consultancies and 145 large companies known to employ designers. This focused on employment, recruitment, including recruitment difficulties, and skill deficiency issues relating to designers. Pertinent findings from this research are included in this report, but full details of the research will be published separately;[1]
- a series of focus groups in each of the media and creative sectors, aimed at a specific set of issues or an occupational group within the workforce about whom little was known. They have included:
    - audio-visual: discussions with computer games developers;
    - design: discussions with two groups of pan-industry designers in Manchester and London and a group discussion with undergraduate students currently studying design at Leeds Metropolitan university;
    - photo-imaging: a pan-industry discussion on skills required in the industry covering independent photographers, photo processors, in-company photography departments, professional laboratories and photo suppliers;
    - print: skills required in printing during CD and DVD production;
    - publishing: a pan-industry group which focussed on skill issues across the industry and then two specific groups looking at (i) the role of freelances in publishing and (ii) the role of designers in publishing.

Findings from these discussions are included in the report where appropriate. However, the industry members who took part in these discussion groups did so on the basis of confidentiality and so are only identified by sector.

The national seminar

It is critical that the views expressed in the Skills Dialogue articulate the views of the industry. To facilitate this a national seminar was held that presented a summary of the data and allowed a discussion by employers, industry representative bodies and relevant education and training providers on the veracity of these issues and what may be the most appropriate response. The report takes into account views and comments received during the seminar.

Many employers gave up their valuable time to be at the seminar and we are grateful for their input. A full list of those attending the national seminar is available at Annex 1.

1 See Employment and Skills Issues for Designers, Small Firms Enterprise Development Initiative, forthcoming, 2002

1.3.3 Geographical coverage

The Skills Dialogue reports are intended to provide an UK-wide perspective on changing skill needs and supply, identifying where possible key regional or nation differences. It is important to note, however, that not all the data available covers all of the UK.

1.4 Report contents

The remainder of the report is structured in the following manner:

- **section 2** looks at employment within the media and creative industries, focusing on employment levels, the occupational distribution of employment, the geographical distribution of employment, the structure of the industry, the nature of employment contracts within the sectors and the demographic characteristics of the workforce;
- **section 3** looks at the qualification levels and skills of the workforce;
- **section 4** examines the supply of skills into the sectors, looking at the flow of people from the education system, the up-skilling of the workforce due to employer-based training and the impact of Government training initiatives on workforce development;
- **section 5** discusses recruitment, retention and skills issues, examining hard-to-fill vacancies, internal skill gaps, retention issues and earnings data;
- **section 6** examines emerging skills issues, looking at the influences of future demand for skills, changing skills and latent skill demand;
- **section 7** draws together the key messages that have emerged from the research.

2. Employment in the Media and Creative Industries

2.1 Introduction

This section brings together the available information on the demand for people in the media and creative industries. It provides a quantitative assessment of employment trends and highlights the definable characteristics of those who work in the sector.

2.2 Employment levels in the media and creative industries

2.2.1 Current employment

It is difficult to provide an accurate estimation of overall employment in the sectors covered by this Dialogue report. Individually the sectors represent a workforce of over 960,000, but it is likely that there is a considerable overlap in these calculations, in particular with those covered by 'design' being employed in each of the other sectors.

Table 2.1: Employment in the media and creative industries

	n
Audio-visual	200,000
Design	129,000
Photo imaging	151,000
Print and graphic communication	207,000
Publishing	280,000
All UK	**967,000**

Source: Data collected from multiple sources

The overlap between design and other parts of the Media and Creative Industries is likely to be substantial. Estimates based on LFS data suggests that about 41,000 of the 129,000 designers are also in other Media and Creative Sectors. This would suggest a lower 'all-UK' figure of the combined industries of 926,000.

Audio-visual

There were estimated to be 141,100 employees in the audio-visual sector in 2000. Of these, 16 per cent (23,200) worked in broadcast radio, and a further 14 per cent (20,200) in broadcast television. New media (strictly defined as 'digital content creation') now represents the largest sector, employing 42,000 people.

Table 2.2: Employment in the audio-visual industry, 2000

	n	%
Animation	1,600	1
Broadcast radio	23,200	16
Broadcast television	20,200	14
Cable/satellite	5,500	4
Cinema exhibition	15,900	11
Commercials	3,200	2
Corporate production	3,700	3
Facilities	9,000	6
Films in Production	1,100	1
Independent production for film	1,200	1
Independent production for TV & radio	12,300	9
New Media	42,000	28
Other areas	2,200	2
All UK audio-visual	**141,100**	**100**

Source: Audio Visual Industries Census, 2001

This data captures only those freelances who were economically active on the day of data collection and so underestimates the total number of people operating as freelances in the industry. Information from the 2001 Census and data on freelance working patterns from Skillset Freelance Surveys indicate a total workforce of around 200,000, including those freelances not working on Census Day.

Design

Estimates of the numbers of designers in the UK vary depending on the source:

- research by the British Design Industry Valuation Survey (2001) suggests that total employment (including non-designers) in the industries network of design consultancies is in the region of 82,000;
- data from the LFS suggests that there are 129,000 designers (86,000 graphic designers and 43,000 product, clothing, interior and related designers).

Designers can be employed either in-house or in specialist design consultancies. According to the Design Council, nearly two in five businesses (39 per cent) employ a dedicated design team, while nine per cent have designers on their staff. The bigger a business is, the more likely it is to have its own design department. Among businesses with 200 or more staff, 53 per cent have this capability, compared to 29 per cent of businesses with fewer than 200 employees.[2]

Data from the LFS suggests that the employment split is that 47,000 designers work in design consultancies and 82,000 in house.

Photo imaging

The photo-imaging sector employs 151,000 people.[3]

This figure covers photographers, manufacturing, retailing, wholesale, picture libraries, equipment repair, photo kiosks, training, microfilming, distribution and processing. They do not include people who work in photographic outlets based in major retailers (eg Boots, Tesco etc) nor do they include people who work in in-company photographic departments). The basic difference between minilabs and photo retailers, such as Boots, is that minilabs provide both sales of film, cameras and accessories and film processing, whereas photo retailers concentrate on product sales.

Employment in the photo-imaging sector covers both traditional photographic processes and digital photographic processes.

Print and graphic communication

It is estimated that overall employment in the sector is 207,000.[4] This figure includes newspaper printing and printing where it is a subsidiary activity within a larger organisation (eg local authorities).

Publishing

Employment in publishing is estimated to be around 280,000.

The four sub-sectors which are currently covered by the NTO, employing 200,000 are book publishing, newspaper publishing, journal and periodical (including magazine publishing) and other publishing (which mainly involved directories and database publishing. The largest of these sectors is newspaper publishing, with just over 39 per cent of all publishing employment.

In addition to this is the business-to-business communications industry, which covers those businesses supplying and delivering information and intelligence to those working in industry, commerce and the professions, which estimate employs in the region of 80,000 people.

2 Design in Britain: Facts, Figures and Quotes, 2000/2001
3 Data from the Photo-imaging NTO, Skills Foresight Report, 2001
4 Data from the PGC NTO, Skills Foresight Report, 2001

Table 2.3: Employment in the publishing industry

	%
Book publishing	16
Newspaper publishing	39
Journal and periodical publishing	24
Other publishing	21

Source: Publishing NTO Skills Foresight, based on LFS

2.2.2 Historical employment trends

Over the last four years overall employment in the media and creative industries has grown, but this is as a result of different trends within the group. Employment in the print and graphic communication sector has been declining whilst in the audio-visual, design, photo imaging and publishing sectors it has been increasing.

Overall:

- accurate data on the growth of the **design** sector is not available, but the general trends appear to be well known.[5] Until the 'boom time' of the 1980s, when the UK dramatically adopted design functions across a range of sectors, the design sector was a small, studio-based cottage industry, dwarfed by advertising and architecture. As the high street drove design standards higher, a new generation of design consultancies sprang up to meet client demand. These suffered in the severe recession of the early 1990s, recovered through the middle of the decade and were again hit by the slowdown towards the end of the century. At the time of writing, whilst recruitment has slowed, the design industry is regarded as being in robust condition;
- trend data on the number of employees in the **photo imaging** industry is unavailable, partly because the basis on which it is gathered has changed. Prior to 2000, data was gathered on photography and photo processing employers only. In 2001, the remit of the Photo-imaging NTO widened to include photo manufacturing and photo wholesaling. In addition, pre-2001 numbers did not include photo libraries, photo repairers, microfilming, photo booths or studio hire. There is, therefore, no consistent basis on which compare historical employment data;
- employment in the **publishing** industry has enjoyed significant growth over recent years. Publishing Skills Foresight research indicates that growth in the sector is expected to continue, particularly in the areas of book and magazine publishing.

5 Discussed in The Guardian, Jobs and Money, January 19th, 2002

2.2.3 Employment projections

In broad terms, the trends towards the end of the last decade are known and are a continuation of trends that have been apparent for some time now. Over the last twenty years[6] the UK has seen rising employment levels and shares for higher level, white collar occupations (such as managers, professionals and associate professionals), rapid increases for leisure and other personal service occupations and declining employment levels and shares for most blue collar and manual occupations. These trends have been driven by:

- the changing patterns of industrial employment, particularly the decline of employment in primary and manufacturing industries, has resulted in a dramatic reduction in the need for jobs associated with these industries - such as skilled craft workers or labourers. By contrast, the growth of the service sector has led to an expansion of jobs in other areas - professionals and associate professionals;
- changes in the nature of jobs and a major restructuring of the way that work is organised, dictated by technology and other external factors.

These UK trends are forecast to continue over the next decade to 2009, such that:

- managers and senior officials, professional occupations, associate professional and technical occupations and personal service occupations are expected to show significant growth in employment over the next decade;
- smaller increases are projected for the sales and customer service occupation group;
- declining employment levels are projected for the administrative, clerical and secretarial group, skilled trades, process, plant and machine operatives and elementary occupations.

Table 2.4: Projections of UK employment

	1999		2010		Change
Thousands	*N*	*%*	*N*	*%*	*N*
Managers & senior officials	3,646	13.2	3,718	12.5	72
Professional occupations	3,055	11.1	3,919	13.2	864
Associate professional & technical	3,443	12.5	4,232	14.3	789
Administrative, clerical & secretarial	4,046	14.7	4,102	13.8	- 56
Skilled trades	3,780	13.7	3,584	12.1	- 196
Leisure & other personal service	1,595	5.8	2,240	7.5	645
Sales & customer service	1,815	6.6	1,993	6.7	178
Process, plant & machine operatives	2,446	8.9	2,343	7.9	- 103
Elementary	3,720	13.5	3,542	11.9	- 178
Total	**27,546**	**100**	**29,673**	**100**	**2,127**

Source: IER, 2000/01

6 Historical sectoral data and forecasts are taken from Projections of Occupations and Qualifications: 2000/2001, Institute for Employment Research, 2000. The definitions used in these forecasts are the new SOC 2000 occupational classifications.

Looking at evidence for each of the individual sectors:

- data to support an industry-wide forecast of employment in the **audio-visual** sector is not available. However, there are detailed forecasts for occupational groups in which audio-visual staff are heavily represented (namely SOC 343, 'media associate professionals'). Whilst this is shared with **publishing**[7], employment in this occupational group is forecast to increase from 175,000 in 1999 to 230,000 in 2010, an increase of 55,000 (31 per cent) at an annual increase of 2.5 per cent;
- the majority (74 per cent) of **design** consultancies expect the employment of designers and design juniors to remain constant over the next 12 months. 25 per cent expect the number to increase and no design consultancies are expecting a decrease in the size of their design staff. Evidence from the large companies confirms this; 27 per cent expect the number of designers in the company to increase, 66 per cent to stay the same and only seven per cent for there to be a decrease. Looking to the longer term, occupational forecasts are available from IER for SOC 2000 3 digit categories. These show that the number of design associate professionals is set to increase from 104,000 in 1999 to 137,000 in 2010, an increase of 33,000 (32 per cent), at an annual average increase of 2.5 per cent. These projections may understate the growth of the design occupations, however, since the LFS shows that the number of designers had already risen to 129,000 by 2001;
- no data is available for industrial and occupational forecasts of employment in the **photo imaging** industry. Industry research suggests, however, that for the next three years new job roles will be mostly related to computer graphics and other IT roles. Estimates[8] suggest that the number of employees in the photo-imaging sector will grow at about two per cent per year;
- the **print and graphic communications** industry is operating at around 60 per cent of its full capacity, with too many companies chasing the same contracts. The view is that there will be contractions in the overall number of companies and also the number of people employed in the sector. In addition, as all areas of printing technology develop and become increasingly automated, the traditional craft trades (ie machine printers and finishers) and the companies that rely on that section of the market are most vulnerable, but new technological skills are being developed to replace these.

2.3 Occupational employment

2.3.1 Current occupational profiles

There is a marked difference in the occupational make-up of the sectors. Design consists of a single group. Publishing and audio-visual are heavily skewed to specialised, higher-level occupations. Print and graphic communication has a higher proportion of manufacturing-based occupations.

7 Media associate professionals (SOC 2000 343) include journalists, newspaper and periodical editors, broadcasting associate professionals, public relations officers and photographers and audio-visual equipment operators.

8 Taken from Labour Shortages, Recruitment Difficulties and Skill Needs in Photography and Photographic Processing Research Report 2000, Photo Imaging NTO.

Audio-visual

Data for the audio-visual sector is available in a number of sector-specific job titles (developed by the industry for Skillset's annual census), not SOC categories. Of these, the largest single occupational group is 'other', which contains all generic rather than key roles, ranging from senior management to cleaning and catering staff. Production is the largest key occupational group (13 per cent of all staff), followed by journalism and sport (10 per cent), new media (nine per cent), producing (nine per cent) and lighting (seven per cent).

Table 2.5: Occupational employment in the broadcasting, video and multimedia industry, 2000

	%
Producing	9
Production	13
Journalism & sport	10
Radio broadcasting	8
Television broadcasting	3
Programme distribution	*
Transmission	1
Broadcast engineering	2
Studio operations	1
New media	9
Animation	1
Art & design	3
Camera	3
Costume & wardrobe	1
Library & archives	1
Lighting	7
Make-up & hairdressing	1
Post production	5
Sound	2
Special physical effects	*
Runners	2
Other occupational groups	20

Source: Skillset, Audio Visual Industries Census, 2000
Note: excludes film production distribution and exhibition

Design

The occupational profile of the design sector is easy to describe as they are, by definition, designers. Design covers not a SIC group but a SOC code, namely minor group 342, which covers:

- Graphic designers - those who use illustrative, sound, visual and other multimedia techniques to convey a message for information, advertising, promotion or publicity purpose; and
- Product designers, clothing, interior and related designers, who plan, direct and undertake the creation of designs for new industrial and commercial products, clothing, interior and related fashion accessories.

Data from the LFS suggests that of the 129,000 designers in the economy, 86,000 (67 per cent) are graphic designers, with 43,000 (33 per cent) product, clothing, interior and related designers.

Photo imaging

Employment within the photo-imaging sector covers both general and sector specific roles, as shown below, although there is no data available on the numbers employed in each role.

Table 2.6: Occupational groups within the photo-imaging industry

General roles	Sector specific roles
Camera technician	Accountants and book keepers
Colour printer	Cleaners
Darkroom technician	Clerical
Digital imaging staff	Engineers
Film processors	Management
Mini-lab operators	Production operatives
Photo technicians	Sales
Photographer	
Photography assistant	

Source: Photo-imaging NTO

The main occupational group in the sector is that of photographer, whose main role is to operate and assist with still equipment to record and project vision for entertainment, commercial and industrial purposes. A photographer's tasks may include:

- selecting subject on conceiving the composition of a picture;
- arranging the subject, lighting and camera equipment;
- checking the camera is loaded correctly with the correct lenses, aperture and speed settings;
- photographing the subject; and
- checking the operation and positioning of projectors.

Print and graphic communication

Data from the Print and Graphic Communication NTO does not afford ready comparison with that elsewhere because of the use of different employment titles to those used in SOC, although a rough 'matching across' can be achieved. This shows that:

- one in seven employees are engaged in a managerial or supervisory capacity (16 per cent);
- two-fifths of employees are employed in a 'print-specific' role (estimators, printers, finishers or pre-press).

Table 2.7: Occupational employment in the printing industry, 2000

	%
Directors & managers	10
Supervisors	6
Administrators & estimators	5
Machine printers	17
Finishers	16
Pre-press	5
Clerical	10
Transport & distribution	4
Maintenance	4
Sales & marketing	6
Other	17

Source: Print and Graphic Communication NTO Skills Survey, 2001

Publishing

The occupational distribution of employment in publishing shows that well over half of the publishing workforce are located in the three highest orders, with the majority of these being in just two - associate professional and technical (36 per cent) and managers and administrators (23 per cent). The only other significant groups are clerical and secretarial (16 per cent) and sales occupations (11 per cent).

Relatively speaking, publishing has a higher proportion of people employed in the associate professional and technical occupations than the UK as a whole, unsurprisingly as this is the occupational group that contains editorial staff. Publishing is similarly over-represented by managers and administrators (23 per cent compared to 16 per cent nationally), which may be due to the large proportion of small units in the industry, all of which require 'managing'. The industry has a relative under-employment of professional occupations, personal and protective occupations, plant and machine operatives and other occupations.

It is worth noting that whilst the relative proportions of employees in sales jobs are reasonably similar between publishing and the rest of UK employment the actual nature of these jobs will vary considerably. In publishing the vast majority of these employees will be involved in telephone or field sales, the 'sales' category for the rest of the UK will include a high proportion of sales assistants in retail outlets.

Table 2.8: Occupational employment in the publishing industry, 2000

	%
Managers and administrators	23
Professional	2
Associate professional & technical	36
Clerical & secretarial	16
Craft & related	5
Personal & protective	0
Sales	11
Plant & machine operatives	3
Other occupations	3

Source: Publishing NTO Skills Foresight, based on LFS

2.4 Geographical distribution of employment

Employment in the media and creative industries as a whole is biased to London and the south-east, an outcome that is the result of some of the industry groups (audio-visual, design, and publishing in particular) being mainly concentrated in these regions. The other groups are more equally distributed across the UK.

Audio-visual

Over half of the audio-visual industry works in London and more than one-tenth elsewhere in the south-east. The remainder is distributed fairly evenly throughout the UK, ranging from two per cent in Northern Ireland to six per cent in the south-west.

Table 2.9: Geographical distribution of employment in the audio-visual industry, 2000

	%
South East	12
South West	6
London	54
West Midlands	3
East Midlands	2
East of England	4
Yorkshire & Humberside	2
North West	4
North	3
Scotland	4
Wales	4
Northern Ireland	2

Source: Audio Visual Industries Census, 2000

Design

Whilst there is a concentration of designers in London and the south-east (46 per cent), LFS data indicates that just over half (54 per cent) of all designers are employed in other parts of the UK.

Table 2.10: Geographical distribution of employment of designers, 2001

	%
South East	15
South West	11
London	31
West Midlands	5
East Midlands	4
East of England	5
Yorkshire & Humberside	8
North West	10
North	3
Scotland	4
Wales	4
Northern Ireland	1

Source: LFS, 2001

Photo imaging

Employment in the photo-imaging industry is thinly spread across the UK. Although there is a slight concentration in London and the south-east this is not out of balance with overall UK employment levels.

Table 2.11: Geographical distribution of employment in the photo-imaging industry

	%
South East	15
South West	9
London	19
West Midlands	7
East Midlands	6
Eastern	10
Yorkshire & Humberside	7
North West	10
North East	3
Scotland	8
Wales	4
Northern Ireland	2

Source: Photo-imaging workforce development plan

Print and graphic communication

Employment in print and graphic communication is spread widely throughout the UK, but there are regional concentrations: over a quarter (26 per cent) of all employment in printing is located in London, nine per cent in Yorkshire and Humberside and eight per cent in the south-west.[9]

9 Data from the PGC NTO

Publishing

Over half of all people who work in publishing live in London (33 per cent) or in the south-east (21 per cent). Each of the other regions and devolved nations has a representation of publishing employment, but the proportions are relatively small. There is, however, no evidence that employment or activity is becoming increasingly concentrated in London and the south-east.

Table 2.12: Geographical distribution of employment in the publishing industry, 2000

	%
South East	21
South West	8
London	33
West Midlands	5
East Midlands	3
East Anglia	4
Yorkshire & Humberside	6
North West	7
North	3
Scotland	6
Wales	2
Northern Ireland	2

Source: Publishing NTO Skills Foresight, based on LFS

2.5 Structure of the industry

Data shows that each of the media and creative sectors covered share a structural pattern of a few large, and in some cases well known, companies operating amongst a great number of very small companies.

Audio-visual

The audio-visual industry is typified by a few large, well-known, employers in the broadcasting sector, such as the BBC, ITV companies, Channel 4 and Channel 5, which contract out programme making to over a thousand predominantly small, independent production companies. Other sectors tend to comprise mainly small and medium-sized enterprises, such as post-production computer production and interactive media. 91 per cent of businesses involved in UK film production have fewer than 10 employees, but many may use high numbers of freelances for short periods.

Design

The design industry is composed of a large number of smaller consultancies and a few large consultancies. Nearly three quarters (73 per cent) of design consultancies employ no more than 20 staff. In total, it is estimated that there are about 4,000 consultancies. Evidence from the design survey commissioned for this report confirms this structure. Results show that the majority of design consultancies are small: 62 per cent have 1-4 employees, 13 per cent from 5-9. Only a small minority have more than 50 employees.

However, this image of the design industry as a 'small firm' industry does need to be kept in proportion as:

- these larger design consultancies account for a substantial proportion of employment: the design survey showed that 30 per cent of people employed by design consultancies work for these of large consultancies. Just over two-thirds (67 per cent) of people employed by design companies worked for design companies employing less than 50 people;
- many designers also work for large companies as part of an 'internal' design function.

Design consultancies often display all the 'classic' hallmarks of small company behaviour. However, the many designers who work in the design departments of large companies, work in an environment which displays all the formality of large company processes (formal planning mechanisms etc).

Photo imaging

The photo-imaging sector has some 8,387 businesses and consists mainly of self-employed practitioners and micro businesses. 90 per cent of businesses have less than 10 employees, with about one per cent having more than 250 employees.

However, it is estimated that this one per cent of larger companies employs 51 per cent of all those working in the industry. Those employed in companies of fewer than 10 people comprise less than 20 per cent of the workforce.

Table 2.13: Structure of businesses and employment in the photo-imaging sector

	Number of businesses	Number of employees
Size of business	%	%
Less than 10	90	19
10 - 49	4	4
50 - 99	3	11
100 -249	2	16
250 - 500	1	17
500 +	*	34

Source: Skills foresight report 2002

The photo-imaging sector covers a wide range of activities, stretching from photography to distribution. However, the largest number of businesses relate to the 'core' activity of photography, processing and manufacturing.

Table 2.14: Structure of businesses and employment in the photo-imaging sector

	Number of businesses
Size of business	%
Photography	33
Processing	20
Manufacturing	12
Distributing	9
Retailing	8
Wholesaling	6
Picture libraries	3
Micro filming	3
Equipment repair	2
Training establishments	2
Photo kiosk	1

Source Skills foresight report 2002

Print and graphic communication

The sector is characterised as being polarised between a few very large firms serving national and (in some cases) international markets and a large number of small firms specialising in commercial printing for local markets. Of the 14,365 establishments in the sector, 96 per cent have fewer than 50 employees, although these establishments collectively employ only 57 per cent of all employees.

Table 2.15: Employment in the print and graphic communication industry by size of organisation

	Proportion of establishments %	**Proportion of employees %**
49 employees or fewer	96	57
50 - 249 employees	3	24
250 employees or more	1	19
All UK Printing	**14,365**	**189,000**

Source: PGC NTO Skills Foresight, based on ABI

Publishing

There are just below 10,500 employers in the publishing industry. The majority of these are small, 85 per cent of all employers have no more than 10 employees. However, despite this preponderance of small firms, the highest proportion of people work in larger organisations: 42 per cent work in establishments which employ more than 200 employees and a further 26 per cent in establishments which employ between 50 and 199 employees.

There has been no significant change in the distribution of employment across these different size bands between 1995 and 1998, with similar growth rates in each of the size bands.

Table 2.16: Employment in publishing industry by size of organisation

	Proportion of establishments %	Proportion of employees %
Less than 11 employees	85	14
11 - 50 employees	12	19
50 - 199 employees	4	26
More than 200 employees	1	42
All UK Publishing	**10,485**	**153,647**

Source: Publishing NTO Skills Foresight, based on ABI

However, this does need to be seen in context. The media conglomerates and large companies are themselves not large when compared to other industries. For example, the top 20 regional press publishing groups only employ an average of 450 people. The nature of the industry is that despite large-group presence, operating units remain relatively small.

Growth rates have been particularly high in the small firm sector, increasing by 50 per cent over the four years to 1998. Whilst the number of large organisations has also increased, they have decreased as a proportion of the total number of employers.

2.6 Employment contracts

The media and creative industries are known to have relatively high levels of 'non-traditional' employment patterns, in that flexible forms of employment contracts are often in use. Full and part-time contracts and evidence of freelance working are examined in the section.

2.6.1 Full and part-time working

Part-time working is a major feature of the media and creative sectors, although virtually non-existent in audio-visual. In all cases women are more likely to work part-time than men. Data is not consistently held across the sectors, but we know that:

- 87 per cent of **designers** work full time, 13 per cent part-time;
- in **photo-imaging** 46 per cent of businesses employ part-time staff, although how this translates into an actual number of part-time workers is not known;
- in **print and graphic communication** the majority of the workforce (88 per cent) works full-time, with 12 per cent working part-time;
- in **publishing** a fifth (20 per cent) of the publishing workforce works part-time. Other aspects of part-time working in publishing to note are that:
- there has not been any major change in the propensity to work full or part-time over the last few years;
- publishing employees in London are less likely to work part-time than elsewhere in the country;
- there is a considerable difference in the likelihood of full-time and part-time working by sex. The data shows that 95 per cent of men work full-time and only five per cent part-time, compared to women, of whom 79 per cent work full-time and 21 per cent part-time.

2.6.2 The use of freelancers

The use of freelance staff is a common feature in the sectors covered by this Dialogue. However, information on freelance working is not available from national data sources, mainly due to problems with defining what this means. Indeed, there is a different definition of what the term 'freelance' means within the media and creative industries. The publishing and audio-visual industries use the term to relate to self-employed individuals who work with a variety of companies, whilst in photo-imaging this is not a term used to describe a similar pattern of working for the many self-employed photographers who work similarly for a wide range of clients.

It would be expected that the relative proportion of freelances vis-à-vis permanent employees will vary over time. As labour market conditions tighten employers often increase the proportion of staff on permanent contracts in an effort to recruit and retain those with difficult to find skills. As economic and industry growth slows down the proportion of people employed on non-standard terms and conditions may increase.

Looking at individual sectors we see that:

- it is estimated that around a half of the available workforce in the **audio-visual** industries are freelance. In addition, although the majority of people may be employees, this does not mean that they have permanent contracts. There is a high level of use of long-term fixed-term contracts in the industry. The percentage of staff that were working as a freelance on the day of the survey varies in each sub-sector and occupational group:
- four-fifths of those working in commercial companies were freelance, compared to about half of those in independent production, facilities and corporate production. About a third of those working in animation were freelance and around one quarter of those in new media. In broadcast television, broadcast radio and cable and satellite companies (which represents half of the industry), less than a quarter were freelance;
  - around nine out of ten people in costume and wardrobe, make-up and hairdressing and lighting were freelance, compared to less than a fifth in television broadcasting, programme distribution and transmission.
- despite the public image of **publishing** as being a major employer of freelance workers, it is estimated that 85 per cent of people who work in the sector have a permanent job. The publishing Skills Foresight found that:
- the majority of employers (80 per cent) use freelances;
- the main use of freelancers is for editorial functions: over four-fifths (83 per cent) of employers who use them mainly use them in that area. Minorities of employers use freelancers in other areas: design and layout (11 per cent) and photography (nine per cent);
- use of freelancers is highest amongst employers who are; in a growing market, have increased employment levels over the last 12 months and who are facing hard-to-fill vacancies;
- employers who do not support any training within their workplace are more likely to use freelancers.

Issues for freelancers

The majority of freelances in the **publishing** industry are expected to have had previous in-house experience. This is considered to be vital, but it is not always regulated. The traditional path has been that individuals gain experience as an employee and those that want to, and those that it suits, then become freelance. However, in some areas (typically proofreading, copy-editing and indexing) individuals are establishing themselves as freelancers with relatively little skill or experience, which can be damaging to the industry as a whole and to the professional image of freelancers.

‘the main problem is that fewer and fewer people are trained in-house, so the pool of people with these skills is getting smaller and smaller.’

‘they have no skills and no experience. We have freelance journalists who have no experience of law, of defamation, of contempt of court laws. In many cases it’s a disaster waiting to happen and then these people are finished - no one will employ a journalist who ends up getting you in court.’

‘not everyone who can read can be a proof reader’

Freelancers focus group

There is an on-going need for freelancers to maintain and develop their skills, but this can be an expensive process.

There are differing views, both from employers who use freelancers and freelancers themselves, regarding who should pay for training:

- that employers want freelancers to have high levels of skills and should therefore be willing to invest jointly in a shared skill base;
- that freelancers are self-employed professional people, who must operate as such in their own right. It is therefore their responsibility to pay for training. Freelancers experience the advantages of flexibility and working for a variety of clients so must accept the responsibility of maintaining their skills.

Views expressed from employers using freelancers concur with the latter:

'the whole point of having freelancers is that they know what they are doing and should not need training.'

Photo-imaging focus group

'training is benefit that employees receive as part of their package. Freelancers must be responsible to updating their own skills in order to remain competitive'

Publishing human resources focus group

And it is a view that many freelancers agree with:

'training is my responsibility because it's my business.'

'when I hire a plumber I don't expect to buy his tools or to pay for him to go on a course. I just want him to come and mend the pipes.'

'we are supposed to be providing a service and we must be equipped to supply it.'

Freelancer focus group

Publishing freelancers highlighted issues relating to the freelance/in-house manager relationship. In some circumstances, the person responsible for freelance liaison may lack the necessary skills to fully understand the role of the freelance worker within the publishing process. They may also lack the necessary freelance management skills:

'they do not fully understand the publishing process. They have to understand, for example, that the editing process takes 4 weeks. They have no idea of how to properly brief or evaluate what they have got back. They do not know the process.'

'they need to be able to manage staff, including freelancers.'

Freelance focus group

It is widely felt that freelancers do need a 'corporate body' that they can refer to over a variety of matters, such as providing quality of assurance over training courses, negotiating over problems with clients, or acting collectively over training issues.

2.7 Demographic characteristics

2.7.1 Sex

Within the next few years, women will make up half of the UK workforce. The media and creative industries have some way to go before that state of equality is reached. Only publishing has a higher proportion of women in its workforce than men (53 per cent of women compared to 47 per cent of men). In each of the other sectors, there is a higher proportion of men than women, although the extent of the imbalance varies: the print and graphic communications workforce is 78 per cent male, audio-visual 64 per cent and design 62 per cent.

Within each of the sectors there are areas in which the male/female balance varies:

- in the **audio-visual** industry, women make up just over a third of the industry's workforce, but represent a higher proportion of employees (41 per cent) than freelancers (26 per cent);
- in **design**, LFS data shows that 70 per cent of graphic designers are men and that 30 per cent are women. The percentage of women in the sector rises to 54 per cent in product, clothing, interior and related design. However, those working in the industry believe that the proportion of female designers is higher than indicated by this LFS data;
- in the **print and graphic communication** sector there is a higher proportion of females in office-based occupations, where the proportion of females rises to 27 per cent. Within production, the vast majority of females work in the finishing or origination areas rather than machine printing.

2.7.2 Age

A number of the sectors, in particular publishing, audio-visual and design, have traditionally relied upon a young workforce. 55 per cent of all people working in design are aged less than 35, as are 47 per cent of people working in publishing. 43 per cent of freelances in audio-visual are aged under the age of 35.

The workforce in photo-imaging follows a normal distribution: seven per cent are aged under 21, 22 per cent 21-30, 41 per cent 31-40, 21 per cent between 41-50 and nine per cent over 50.

The average age of the workforce in printing is currently 48 years and it is predicted that over the next decade the proportion of young people (aged 20 - 30) will decline further unless greater efforts are made to attract younger people to the sector;

It is important to note there are variations within the broad sector groups. Within design there is a clear distinction between the age profile of the two types: more than half (52 per cent) of graphic designers are aged less than 35, compared to 41 per cent of product, clothing and related designers. Over a fifth of product designers are aged 50 and over compared to only eight per cent of graphic designers.

2.7.3 Ethnicity

The ethnicity of the workforce in the media and creative industries has been the issue of some publicity in the last year. Data shows that:

- in audio-visual, 95 per cent of employees and 94 per cent of freelancers are from white ethnic groups
- in design 94 per cent of respondents are from white groups, six per cent from ethnic minority groups;
- in photo imaging, 83 per cent of employees are white. However a high proportion (88 per cent) of all people of ethnic minorities work for a single large company, which produces a particular skew of the figures. If this company is taken out of the data, the proportion of the workforce that is white rises to 97 per cent, with only three per cent coming from an ethnic minority;[10]
- in publishing 93 per cent of the workforce is white, seven per cent from ethnic minority groups

There is no data available on the proportion of ethnic minority employees in the print and graphic communication sector.

Whilst the employment levels of ethnic minorities in some of these sectors is roughly in-line with that of the national average, which is just below seven per cent, it needs to be remembered that much of the media and creative industries is concentrated in major metropolitan centres, particularly London. Given that cities are also the areas with the greatest concentrations of people from ethnic minorities, it could be argued that the proportion of people from ethnic minorities should be higher than the national average and that these groups remain under-represented in the sector.

2.7.4 Socio-economic status

Whilst there is little actual data to support the argument either way, there is a growing concern about the socio-economic make-up of entrants into the industry. In publishing a prominent area is editorial, in which the entry-level requirement is a degree, and increasingly likely a postgraduate degree. Pre-entry postgraduate vocational training is an important characteristic of journalism and is becoming more prevalent. Despite this increasing need for postgraduate qualifications, mandatory grants are not available for such training and discretionary grants are extremely rare.

This is leading to an industry concern that the industry is one in which people ‘pay to enter’, either via postgraduate courses or by working in unpaid work placements. The term ‘the Samantha Syndrome’[11] has been used to describe the tendency for journalism to be increasingly white and middle and upper class in its composition. The need to have wealthy parents to fund courses, or the willingness to face considerable debt, may be to be deterring potentially good students from entering journalism courses.

10 data came from the Photo-imaging Skills Foresight report, 2002, involving some 188 businesses
11 coined by Professor Brian Winston at the University of Westminster

2.8 Summary

Collectively the sectors represented in this Skills Dialogue employ over 960,000 people, including 200,000 in the audio-visual industry, 129,000 designers, 151,000 in the photo-imaging sector, 207,000 in print and graphic communication, and 280,000 in publishing.

Overall, employment within the group has grown, but this is a result of different trends within the group. Employment in printing has been declining whilst that in broadcasting, design, photo-imaging and publishing has been increasing.

Looking to the future, the available data all suggest that there will be further growth. Employment in printing will stabilise, whilst that of the occupational groups who make up much of the other sectors are expected to show significant growth: designers, journalists and media professionals.

Occupational distribution of employment

There is a marked difference in the occupational make-up of the sectors. Design consists of a single group. Publishing and audio-visual are heavily skewed to specialised, higher-level occupations. Printing has a higher proportion of manufacturing-based occupations.

Geographical distribution of employment

Employment as a whole is biased to London and the South East, an outcome that is the result of some of the industry groups (design, publishing and audio-visual in particular) being mainly concentrated in these regions. The other groups are more equally distributed across the UK.

Freelancers and self-employment

The sectors covered have relatively high levels of ‘non-traditional’ employment patterns, flexible forms of employment contract are often in use in the sector.

Both publishing and audio-visual employers make wide use of freelance workers. 80 per cent of employers in publishing use freelance workers, mainly in editorial. Of the available workforce in audio-visual, around half are freelance. The issues are the same in the photo-imaging sector (whilst the term ‘freelance’ is not in common use) with self-employed people working for a range of customers and clients on short-term projects.

Demographic make-up of the workforce

The demographics of the workforce vary widely across the individual sectors. Publishing, broadcasting and design have a predominantly young workforce, well represented in terms of women. The photo-imaging sector has a good spread of different age groups working within the sector. Printing has a largely male workforce, with an average age of 48, and with continuing declines in the numbers of young people entering the sector.

Whilst consistent data is not held across all the sectors, it appears that employment levels of people from ethnic minority groups is roughly in line with that of the national average. However, it needs to be remembered that many of the activities of media and creative industry employers are concentrated in major metropolitan centres, particularly London. Given that cities are also the areas with the greatest concentrations of people from ethnic minorities, it could be argued that the proportion of people from ethnic minorities should be higher than the national average and that these groups remain under-represented in the sector.

3. Qualification and Skills

3.1 Introduction

This section brings together the available information on the qualifications and skills of the workforce in the media and creative industries.

3.2 Qualifications

In the UK overall, over a quarter of people in employment are qualified to degree level and above - 21 per cent to Level 4 (degree level) and a further five per cent to Level 5 (postgraduate level). A third have no or very low levels of qualifications, with 12 percent having none and 21 per cent are qualified to Level 1.

Table 3.1: Qualification levels in the UK, 1999

	%
Level 5	5
Level 4	21
Level 3	19
Level 2	22
Level 1	21
No qualifications	12
Base	**27,546,000**

Source: LFS, supplied by DfES

As we see from the data below, the media and creative sectors tend, on average, to employ a more highly-qualified workforce than that of the UK as a whole, with a number of the sectors (particularly audio-visual, design and publishing) employing high proportions of graduates.

Audio-visual

The Skillset 2000 Freelancers Survey shows that a very high proportion of the labour force holds graduate and postgraduate qualifications. Over half of freelancers in every sector are graduates, rising to at least two-thirds in several sectors, including animation, cable and satellite, facilities, independent production and new media.

Technical qualifications (which may be held in conjunction with degrees or other qualifications) are also widely held in the audio-visual industries, but with more variation by sector than graduate qualifications. Sectors using higher levels of graduate and postgraduate freelancers tend to use proportionately fewer people with technical qualification.

Design

Data from the LFS shows that designers are highly qualified: 40 per cent are qualified to a degree level or higher (Level 4 or above) and very few have no or low level of formal qualifications.

Table 3.2: Qualification levels in design

LFS definition	Approximate NVQ level equivalent	%
Degree or equivalent	Level 4 (and above)	40
Sub-degree HE & GCE A Level or equiv	Level 3	40
GCSE grades A-C or equiv	Level 2	13
Other qualifications	Level 1	5
No qualification	**No qualifications**	**2**

Source: LFS, 2001

Data from the design survey confirms that managers and designers in design consultancies tend to be highly qualified: 87 per cent of managers have higher-level qualifications (a degree or equivalent), with 77 per cent of designers being similarly qualified.

Photo-imaging

Whilst there is no formal data on qualification levels, new entrants do not appear to be highly qualified. Of the 2,000 people who join the photographic sector each year, only 20 per cent have any formal training or qualification at any level, with only 18 per cent being recruited from further and higher education. About one in ten of new recruits to the sector are graduates.

The 'industry' view is that some employers view qualifications as unimportant, with many employers feeling that experience is more relevant. However, some businesses do consider it important for photographers to be qualified. Qualifications are also viewed as more important for specific jobs such as customer services, accounting and book keeping, and clerical roles.

Print and graphic communication

Whilst there are areas within the print industry that are highly qualified, mainly directors and managers, this is not common across the workforce. High proportions of staff in some areas (notably finishers) have no qualifications.

Table 3.3: Qualification levels typically held by staff in printing

	Directors / managers %	Supervisors / team leaders %	Estimators / administrators %	Finishers %	Pre-press staff %
Higher (Level 4 & above)	33	6	7	0	7
Intermediate (Level 3)	22	18	17	8	24
Basic (Level 2)	12	38	38	20	27
Lower & other (Level 1)	2	3	3	7	4
No qualifications	23	28	30	49	30
Don't know	7	8	6	7	7

Source: PGC NTO Skills Survey, 2001

Publishing

Five per cent of publishing employees are qualified to Level 5 or above, 44 per cent to Level 4 and above, and 67 per cent to Level 3 and above.

Table 3.4: Qualification levels in publishing

	%
Level 5	5
Level 4	39
Level 3	23
Level 2	17
Level 1	10
No qualifications	5
Don't know	1
Base	**182,364**

Source: Publishing NTO Skills Foresight, based on LFS

3.3 Summary

Overall, the media and creative sectors tend, on average, to employ a more highly-qualified workforce than that of the UK as a whole. This varies across the sectors: the design, audio-visual and publishing sectors are very highly qualified. In publishing, for example, five per cent of employees were qualified to level 5 or equivalences and above, 44 per cent to level 4 and above, 67 per cent to Level 3 and above. Over 80 per cent of freelancers in the audio-visual industry are graduates, with 30 per cent of these educated to postgraduate level.

Printing and photo-imaging have a less well-qualified workforce. New entrants to the photo-imaging sector do not appear to be highly qualified: of the 2,000 people who join each year, only 20 per cent have any formal training or qualification at any level, with only 18 per cent being recruited from further and higher education.

4. Supply of Skills

4.1 Introduction

Employers most often get the people and skills that they need from other employers in the sector, or in a closely related sector. Most people who obtain a job do so from the position of already being employed. However, as a sector, employers obtain the people that they need from a number of different sources:

- initial supply from formal education, although this will mainly be at degree level;
- external supply sources, either through potential employees engaged in other occupations or sectors, or those not actively engaged in the labour market (eg women returners); and
- existing employees able to acquire new skills.

4.2 Education system

4.2.1 Higher education

As an increasingly high proportion of entrants into the media and creative industries are graduates, the higher education system is a key supplier of new people and skills into the sector.

Currently the total graduate UK output is growing marginally, but the large increases of recent times seem to have halted, partly as a result of the Government's policy on tuition fees. The longer-term outlook is for continued expansion, albeit small, year on year, achieved by more graduates coming from a broader range of backgrounds, both socially and educationally. There is expected to be more growth in sub-degree level provision. However, this area is subject to policy change at the time of writing, which may impact on the future number of graduates.

In parts of the media and creative industries postgraduate degrees are increasingly required as an entry-level qualification. Postgraduate vocational training and qualifications are becoming more prevalent in specific areas of publishing, notably within magazine and newspaper editorial. In both publishing and the audio-visual the rapid growth of the industries has created a demand for the higher education sectors to place a greater emphasis on industry needs. Courses with an emphasis on media practice have been introduced to satisfy these needs. Data[12] shows that in 1998/99 4,554 students were studying communications studies, 8,363 media studies and 2,735 journalism: approximately 5,000 students a year across a diverse range of courses.

A **photo-imaging** graduate training programme is being developed through a higher education innovations project. The aim of the project is to increase the number of graduates employed in the sector and to develop a training framework for graduate entry into the sector. However, substantial proportions of businesses in the sector feel that photographic degrees do not adequately prepare graduates to work in the commercial world and, as a result, some graduates experience difficulties in relating to customers. The graduates may appear to expect to use their artistic skills when often the customer has requested something traditional or straightforward.

12 Skillset, Skills for Tomorrow's Media, The Report of the Audio-Visual Industries Training Group, 2001

The number of first year undergraduate and postgraduate **design** students has increased by nearly 24 per cent (from 14,948 to 18,513) in the period 1994/95 - 1998/99. This compares to an overall increase in student numbers of 16 per cent. This is in some quarters regarded as being a 'massive over-supply' of new graduates.[13] However, when asked in the research for this report, both design consultancies and large companies employing designers who recruit directly from higher education and further education tended to think that the number of applicants they received was adequate (54 per cent of design companies, 67 per cent of large companies) or less than adequate (37 per cent of design consultancies, 18 per cent of large companies). Very few design consultancies thought that the number of graduate applicants was excessive (nine per cent).

This view of there being an over-supply is not borne out by other data on destinations of graduates[14]: Almost 46 per cent of graduates from graphic design and visual communication courses think their current job is related to their degree subject - a high proportion for any degree subject. 24 per cent of interior designers, 20 per cent of product designers and 19 per cent of 3-D designers also say that all their current job is linked to their degree subject. This data would suggest that a relatively high proportion of graduates from design courses are working in a design-related capacity.

Table 4.1: Relevance of current employment to degree subject, by main subject area

	All %	Most %	Some %	None %
Graphic design and visual communication	46	25	17	13
Interior design	24	12	44	20
Product, industrial or furniture design	20	16	38	27
3-D design	19	14	30	37

Source: Destinations and Reflections: Careers of British Art, Craft and Design Graduates, 1999

Whilst the majority of design consultancies (75 per cent) are satisfied with the quality of the graduates that they recruit, there is a significant minority (21 per cent) who are not at all satisfied. There are evidently 'good' and 'bad' design courses, with inferior courses being the product of financial pressures to cut course length and term times, use large group teaching rather than studio workshop-based study and criticism, encourage individual home study using computers and reduce the contact with the wider design community. A 'good' design course should help students develop key skills, such as problem solving, team working and communication skills. Since these skills are sought in all forms of employment any over supply of design education would not be any problem. However, it is the development of these skills that will be undermined in poorer courses that do not provide studio-based study.

13 Ian Rowland-Hill, chief executive, Design Business Association, quoted in The Guardian, January 19, 2002
14 Blackwell A and Harvey L, Destinations and Reflections: Careers of British Art, Craft and Design Graduates, Centre for Research into Quality, University of Central England, 1999

There are similar views as to the quality of graduates also emerging in **publishing**, with some concern expressed about the quality of output from higher education. There is an 'industry view' which expresses concern about the quality of new entrants. The sector may be suffering as a result of increased competition for new talent from other sectors, eg dot.com companies being more attractive to new graduates. The issue of new-entrant salaries is also now recognised throughout the industry as contributing to the problem of the recruitment and retention of high quality people.

In the **audio-visual** sector, concerns have been raised about the quality of engineering courses, either attributable to a drop in course entry standards or a decrease in quality of course provision.

There is evidence from the focus groups that indicates that it is the transition from education to work that creates key problems. Part of this relates to the application of commercial pressures:

'it's the deadlines which get them. People do freak out when they realise what they have to do and when they have to do it. Colleges do not put enough pressure on them.'

'they suddenly have to make a shift from doing conceptual stuff which they do because they like it, to doing practical stuff that someone else likes. It's a big change.'
Designers in publishing focus group

There are also concerns about the failure of new entrants to have acquired key business and commercial skills during their formal education.

4.2.2 School qualifications, Further Education and vocational qualifications

For the majority of employers in the sectors covered by this Dialogue, recruitment directly from school is relatively limited. The main exception to this is the **print and graphic communication sector**, where there appears to be more willingness to take on recruits straight from school at both ages 16 and 18.[15] Over half of employers had taken on school leavers of both ages: 57 per cent had taken on 16 year olds and 54 per cent had taken on 18 year olds in the past. However, lower proportions were prepared to take on these people in the future (38 per cent stated that they would take on 16 year olds, 47 per cent 18 year olds), which in a large part may reflect a tightening of health and safety regulations impacting on the industry. Smaller employers are more likely to say that they will consider taking on 16 year olds in the future.

Careers information provided by schools on career opportunities in the **photo-imaging** sector is out of date and is not comprehensive, although better information does exist via the Photo Imaging NTO

The number of art and design students has risen substantially since the mid-90s. In 1998/99 there were 222,573 art and design further education students, an increase of 62 per cent over the total in 1994/95. This compares to a growth of 48 per cent in the overall further education sector over the same period.

15 Data from the PGC NTO Skills Foresight Report, 2001

4.3 Employer-based training

New entrants to the sectors, particularly those who have come straight from the education system but by no means exclusively these, will generally receive some employer-based training. In addition, employers are aware of the changing nature of skill requirements and many do provide on-going training.

4.3.1 Planning and management of training

In the UK as a whole, three out of five employers (60 per cent) had a business plan, half (49 per cent) a training plan and just less than a third (31 per cent) a human resources plan.[16] Some care needs to be taken when using these national statistics as comparators because they only cover employers with five or more employees.

Within the media and creative industries there would appear to be considerable scope for increasing the levels of human resource planning . At an overall level it would appear that those that do not engage in human resource planning are in the majority. The general pattern would seem to indicate that it is mainly larger companies who engage in a formal planning of training.

Audio-visual

The audio-visual industry census did not extend to provide an authoritative report on training provision and so it is not possible to comment directly on the level of planning and management of training in this sector.

Design

Just over a half (52 per cent) of design consultancies had a business plan, with 20 per cent also having a human resource plan[17] and 14 per cent a training plan. Nearly half (45 per cent) of design consultancies did not have any of these planning tools. As the existence of planning tools is directly size-related, it is of no surprise that the larger companies are more likely to have each of these types of plans. The results for design companies reflect this preponderance of small firms.

Table 4.2: Existence of planning tools

	Design consultancies	**Large companies**
	Multiple response	*% of organisations with:*
Business plan	52	86
HR plan	20	76
Training plan	14	75
None of these	45	4
Unweighted base	**156**	**145**

Source: Designers survey, 2002

16 IFF, Learning and Training at Work, 2001, DfES Research Report 334, 2001

17 The human resources plan was described as being a plan that forecasts the numbers and types of staff that will be needed in the year ahead.

Photo imaging

In the photo-imaging sector, training needs are identified through a variety of formal and less formal methods. 86 per cent of employers identify training needs through informal discussion, whilst 69 per cent operate staff appraisal systems. Matching the training needs of individuals to a wider business, strategic or operational plan is done less frequently (28 per cent of businesses).

The focus of training activity varies over time, with attention shifting to those staff that need it at any one time. Currently, technical training is being emphasised because this is where the majority of changes are occurring.

None of the companies who were included in the Photo imaging Skills Foresight research reported that they use National Occupational Standards to identify training needs, although anecdotally it is known that several large companies, and many of the professional bodies, use these as the basis for which they develop and deliver training.

Print and graphic communication

Less than half of employers (42 per cent) in the print and graphic communication sector had an employee-training plan. 42 per cent had a skills audit or review of skills needs and 25 per cent had a human resource plan.

Publishing

Less than half of employers (45 per cent) in publishing have a training plan that specifies in advance the level and type of training needed by their employees over the next year. Just over half of employers (53 per cent) had a budget for training expenditure.

4.3.2 Employer provision of training

National data sources[18] indicate that overall over a third (37 per cent) of all establishments in England fund or arrange off-the-job training for their employees. The main factor explaining the distribution of this is the size of the employers establishment: 25 per cent of the smallest employers provide off-the-job training compared to 94 per cent of the largest employers.

Table 4.3: Whether funded or arranged off-the-job training for employees

Employer size (number of employees	%funding/arranging off-the-job training
1 - 4	25
5 - 24	59
25 - 49	78
50 - 99	85
100 - 199	89
200 - 499	90
500 - 999	94
1,000 and over	94
All employers	**37**

Source: ESS, 2001

18 ESS, 2001, DfES

Comparing the extent of training provision over the different sectors within the media and creative industries is particularly problematic because of the different definitions used in the various surveys. Whilst there appears to be wide variations in the propensity of employers to provide training, this may be as much a result of these definitional factors as a reflection of reality. For example, data for publishing encompasses all training, but that used by the print and graphic communication sector is a tighter definition and excludes health and safety and induction training.

Regardless of the actual level of training provision, there are a number of common themes which appear to hold true across all the sectors, in that employers are more likely to offer their employees training if they:

- are larger: the bigger the employer the more likely that training activity takes place;
- have business and training planning mechanisms in place;
- have an IT and technology base that is relatively sophisticated.

These factors are inter-related. Larger companies are more likely to have planning mechanism in place and are more likely to have invested in sophisticated technology. However, there are also examples of small companies that have planning processes and provide training. In essence, these small companies are displaying ‘big firm’ tendencies. Whilst we can identify this positive clusters of attributes, we do not know what leads to them existing and, because of this, how to promote them.

There is a considerable range of training being offered within each of the sectors, with employers offering both highly formalised, often college-based, training alongside less formal on-the-job training. Evidently employers have identified different training routes for different problems, but we do not have sufficient information available to identify more clearly what these are.

It was identified earlier that a specific problem is the transition from education into work. The way that this is dealt with varies from employer to employer, from a laissez faire to structured approach:

‘It’s a bit sink or swim. The good ones survive, the others don’t.’

‘I make them realise that they are part of a bigger team. I make them go to meetings with the product team - the sales staff, the marketing people and the rest. They need to know where they fit and the impact that what they do has. It “gees” them up.’

Designers in publishing focus group

Despite this lack of structure, the informality and the difficulty of making the transition to work, there was a general view that this is the way that it should be:

‘you don’t want to give people a leg up. The job is like this - you have to be tenacious, and if you don’t make it its perhaps because the job is not for you.’

Designers in publishing focus group

Audio-visual

There is a range of practice evident across the different employers within the audio-visual sector:

- public sector broadcasting: the BBC is the world's largest broadcasting trainer, training both its own staff and acting as a supplier to other organisations and individuals. The BBC accepts that it has a wider industry role in regard of training, and in most areas has the know-how to act as the bedrock of industry training;
- commercial broadcasting: the ITV regional companies have training and education commitments built into their licences and have increased their overall level of provision in the last years. However, there are concerns that the current levels of support for education and training may not be maintained as broadcasting deregulation gathers pace, and that it will not be carried automatically into the digital world;
- the largest commercial radio companies have well-resourced and structured training scheme. Smaller local stations offer invaluable hands-on experience but few formal training opportunities;
- experience amongst independent producers varies. Many producers support training by paying a voluntary levy within the budgets agreed with broadcasters.

Design

In total eight out of ten (81 per cent) design consultancies take specific action to develop the skills of their designers and design juniors.

The most common means of providing skills development is by coaching or mentoring by a colleague or manager (48 per cent of design consultancies), followed by demonstrations by others. Off-the-job training courses are common (39 per cent of design consultancies) but are the minority means of providing skills development. This informality of skills development is typical of small firms generally.

Whilst this provision of skills development is widespread across companies, its penetration may be relatively light. Of the design consultancies that provided any development opportunities, 41 per cent funded or arranged training for less than 10 per cent of designers and design juniors. At the other end of the scale, 28 per cent provided development for all designers and design juniors. This is supported by data from the LFS, which shows that just less than a fifth (18 per cent) stated that they had received some form of education and training in the previous 13 weeks.

The qualitative discussions suggested that there is a lack of 'off-the-shelf' training available. This may be because there is no training market yet developed: companies do not offer designers formalised training, so no-one demands it, so there is no market. Any training that is given tends to be be-spoke and designed as a one-off.

Because of this the solution does not appear to be in a policy response that exhorts small firms to recognise the value of, and engage in, formal training. Small companies generally, and design consultancies in particular, are not in a position to release people from work for long periods or incur substantial training costs. Any formal training needs to be bite-sized and/or available at the work station or outside working hours, cheap and tailored to the immediate needs of businesses and staff. Current provision does not match this: the DBA provides highly regarded short course but they are considered expensive by small consultancies; Government-funded provision revolves around formal qualifications (such as NVQs). A more appropriate conclusion is that there is a market failure resulting from the constraints under which small firms operate and for which public provision is failing to remedy.

Photo-imaging

Training appears to be high on the agenda for businesses in the photo-imaging sector, with 88 per cent stating that it 'is important to their business'. Training is provided both in-house (88 per cent of employers), via external training providers (40 per cent) and via internal staff expertise (52 per cent).

Many employers find it difficult to access suitable training courses for skills improvement within their local areas and are often unaware of what training is available.

A specific issue for the photo-imaging sector is that manufacturers used to provide extensive training, albeit on their own products. As photographic principles are the same irrespective of manufacturer this training was always highly useful and well regarded in the sector. Much of this training has now ceased and there is very little basic skills training available now outside of formal training courses, which are usually related to vocational qualifications. Basic photo-imaging skills training is needed and seen as a priority in the sector.

The focus groups indicated that there was a concern over poaching in the industry, with a concern that if staff are sent on external training courses, many of them will leave and set up their own businesses in competition. This explains a pattern of training which appears to be common in the sector, particularly in small businesses, whereby the owner/manager will attend external training courses and cascade the learning to other members of staff.

Print and graphic communication

Just over half of employers in the printing sector had provided training in some form to at least some of their employees in the last 12 months under review. This leaves 46 per cent who had not provided any training to employees at any level. Again, it needs to be noted that the definition of training used in this research excludes induction and health and safety training.

Most employers who provide training provide it in more than one way. However, the most common form of training employed in this sector is on-the-job training led by another employee (40 per cent of those who provided training), which is used by a marginally larger proportion of employers than who used off-the-job training at college.

Publishing

The majority of employers (90 per cent) in the publishing sector provided some training for their staff over the last 12 months, with only a minority (10 per cent) not providing any training. Over half (57 per cent) provided both on and off-the-job training for their staff. Just less than a quarter (23 per cent) provided on-the-job training only, and just less than a tenth (nine per cent) off-the-job only. In total 80 per cent of publishers provided on-the-job training whilst 66 per cent provided off-the-job.

There are concerns that the penetration of training within the publishing sector is relatively shallow. Whilst most employers do provide training, they provide it only to a limited proportion of their staff. The publishing Skills Foresight report notes that, in organisations that provided training, 57 per cent offered to less than a third of their workforce.

This is broadly supported by the findings of the publishing focus groups. It was generally agreed that training is not provided across the board, but that, on average, about 35 - 45 per cent of staff within an organisation will get training. Staff groups that are more likely to receive training are:

- those who are commercially important. Those who are responsible for bringing 'money in' will receive training;
- IT staff who are constantly having to update their skills on new software packages or new versions of software;
- those who have experienced a change in management responsibilities:
  - being given a wider set of responsibilities, taking on the tasks of someone who has gone;
  - having to take on responsibilities that were previously part of a group function which has been removed, with responsibilities being handed back to individual department/managers;
  - being asked to take on higher levels of responsibilities as layers of management have been removed.

New entrants to the sector will receive training, but this will decrease with seniority.

4.4 Involvement in Government training initiatives

The Government has sponsored a number of initiatives that aim to raise the level of the quality and quantity of training in UK industry. These include Investors in People, National Vocational Qualifications and Modern Apprenticeships.

4.4.1 Investors in People

The Investors in People Standard is a system for concentrating training and development on individual business needs. To be recognised as an Investor in People, a business needs to demonstrate that it is committed to the development of its workforce, has a systematic approach to developing its workforce, both on entry to the company and on an on-going basis, can link this to its wider business objectives, and evaluates the impact that this investment has on the business.

All the evidence suggests that awareness of Investors in People is very high across employers regardless of sector:[19] in 1998 84 per cent of employers had heard of this, rising to more than nine out of ten (94 per cent of the largest employers. However, awareness may be lower amongst smaller firms and there may be a greater need to improve understanding and generate involvement.

There are some concerns that it is difficult for micro businesses to involve themselves with Investors in People. Small companies tend to operate on a more informal basis, which does not always sit easily with the systematic and formal approach required to meet the Investors in People award.

Looking at individual sectors:

- there are currently 40 companies in the **audio-visual** sectors that have achieved the Investors standard. Skillset recognises that further work is needed to promote the standard and convince employers of the benefits associated with the process. Several pilot projects have been introduced to promote Investors in specific sectors and it has been found that when it is set in the context of business development generally, companies are more receptive to the concept of the benchmark. Skillset intends to increase the penetration of Investors in the sector by:
  - developing a sector-specific strategy for promoting the standard, including a focus on take-up by small and medium-sized enterprises; and
  - working with the new Investors Assessment Centres to provide input into delivery and quality systems;
- relatively few **design** consultancies are involved with the Investors in People initiative. Five per cent are currently accredited, three per cent are implanting the scheme and a further four per cent are considering involvement. However, 84 per cent state that they are not involved, with a further five per cent stating that they did not know, which effectively means that they are not involved. However, looking at the large companies that employ designers, 44 per cent are currently accredited as Investors in people, with 53 per cent not involved.
- the **photo imaging** sector as a whole is not involved with the Investors in People initiative. It is estimated that six per cent of employers are recognised as an Investor in People, four per cent are committed to achieving the standard, with a further 29 per cent considering it. There is concern that the Investors in People standard may not be relevant to many photo-imaging businesses. It is common practice for most small businesses to take a relatively unsystematic approach to their training and staffing rather than a procedure-driven approach. As an estimated 90 per cent of businesses in the sector are micro-businesses, it is likely that many of them will not place any significance in an award that appears to require procedures and regulation;

19 Skill Needs in GB and Northern Ireland, IFF, 1998

- the data from the **publishing** Skills Foresight survey would seem, at first sight, to overstress the proportion of employers who are 'currently accredited' as Investors in People. 17 per cent (88 respondents) stated that they were currently accredited. Given that the IiPUK database suggests that the total available is only 91, this means that either we have managed to interview nearly all the employers who are accredited as Investors in People, that employers are wrongly accrediting themselves, or that the IiP UK database is somewhat out of date. It will take further investigation to unravel which of these is the case. However, even with this probable overstatement of involvement, the major feature of the data is a large proportion of employers (69 per cent) have no involvement with Investors in People.

4.4.2 National Vocational Qualifications

National Occupational Standards (NOSs) and (to a lesser extent) National Vocational Qualifications (NVQs) and Scottish Vocational Qualifications (SVQs) are available in nearly all the sectors covered. Reactions to NVQs have been mixed. Levels of take-up in photo-imaging and printing are seen as encouraging, whilst in publishing take-up has been far lower. Within the audio-visual industry, take-up has been high in areas such as lighting and camera, but lower in new or emerging areas such as interactive media. It is known that the existing National Occupational Standards are used by the larger organisations for purposes other than the award of the qualification. Many use the Standards as the basis for in-company training and appraisal.

Audio-visual

Skillset has developed a full suite of 50 NOSs, 43 accredited NVQs and 38 accredited SVQs for all of the key occupations in the industry. The qualifications, branded as Skillset Professional Qualifications are jointly awarded by Skillset and the Open University and accredited by the QCA and SQA.

The standards are used to inform all types of training provision and it is intended that they will be increasingly used to inform the development of vocational qualifications offered by the national awarding bodies and within HE. The NVQs/SVQs are increasingly being incorporated as part of new entrants on-the-job training programmes and provide reliable benchmarks of competence achieved.

Outside their use within training programmes, take-up of the qualifications within the industry by experienced professionals is growing, particularly in certain employment sectors (eg film) and for specific occupations (eg lighting, camera, grips). 3,000 individuals are currently registered.

The industry has produced a long-term strategy for phased implementation and targeted promotion.

Design

NVQs are available at level 2 (juniors providing design support), level 3 (designers) and level 4 (design managers). As of 31 March 2002, there were 2,757 people working towards a design industry NVQ and 1,528 certifications.

Photo imaging

A range of vocational qualifications are available to people who work in the photo-imaging sector, including NVQs/SVQs and other traditional qualifications.

These NVQs/SVQs, and the National Occupation Standards upon which they are based, are due for review and reaccreditation in 2002, and a programme of updating and revising the qualifications has been commissioned to ensure that they continue to meet the needs of the sector.

The sector's reactions to NVQs/SVQs has been positive in that:

- levels of take-up are seen as encouraging. At the end of December 2000 there were 969 registrations covering 10 different qualifications, and 528 certificates awarded (318 NVQs, 75 SVQs and 135 vocational qualifications). 27 per cent of businesses had staff who had gained an NVQ/SVQ;
- it is known that the existing Standards are used by the larger organisations for purposes other than the award of the qualification. Many use the standards as the basis for in-company training and appraisal.

There are insufficient training providers who can provide training and support for the achievement of NVQs and SVQs, and companies outside of the catchment areas for further education colleges can experience significant difficulties in finding and accessing training support.

The general opinion of those included in the Skills Foresight research is that digital imaging courses are difficult to access, but that this is the area of increasing demand. A recent return from the Awarding Body shows that in the last quarter, of the 51 registrations for photo-imaging NVQs, 43 per cent were for digital imaging.

Print and graphic communication

A third of establishments in the print and graphic communications sector provide training that leads to recognised qualifications which (in 80 per cent of cases) are NVQ or SVQs, although the majority of this is linked to NVQs delivered by Modern Apprenticeships. There is little evidence of NVQs being used independently of Modern Apprenticeships.

Publishing

NVQs have almost universal awareness, with 95 per cent of employers having heard of them. There are currently industry specific level 4 NVQs covering newspaper journalism (writing, sub-editing, photography and graphics). It is no surprise therefore that involvement with NVQs is particularly high amongst newspaper publishers, half of whom are involved in NVQs. Larger employers are also more likely to be encourage NVQs with 54 per cent of those with more than 200 employees involved.

4.4.3 Modern Apprenticeships

There is, overall, a low level of involvement in Modern Apprenticeships. Looking at individual sectors:

- take-up of Modern Apprenticeships in the **audio-visual** industries is low: there are just over 100 apprentices across all sectors. There are thought to be a number of reasons for this, including relatively low funding to support apprenticeship training; the emphasis on graduate recruitment in many sectors of the industry; the difficulties (particularly with SMEs) of dealing with contract arrangements; the lack of perceived flexibility in deliver arrangements and the lack of flexibility in funding for the over-25 age group. Skillset plans to increase take-up in the short term by:
  - increasing the sector tariff to reflect the high cost of training and assessment;
  - target those sectors of the industry that recruit non-graduates;
  - establish a network of industry-based providers (consortia groups, assessment centres) that can assist smaller employers with assessment, off-the-job training and monitoring arrangements;
  - allow flexible funding so that apprentices can aim for unit accreditation and training providers coordinating on-the-job industry schemes can offer Modern Apprenticeships;

In the medium to longer term support will need to focus on:

  - developing a Graduate Apprenticeship scheme;
  - providing targeted support to employers, particularly SMEs to encourage and facilitate on-the-job training.

- in **photo-imaging**, the take-up of Modern Apprenticeships in the sector has been limited to date, with six per cent of new recruits in the Skills Foresight survey being Modern Apprenticeships. The main reason for this is considered to be:
  - the reluctance of many TECs[20] to contract directly with small businesses;
  - the shortage of training providers who can provide training and support of Modern Apprenticeships; and
  - the tendency of some employers to recruit straight from school or college and provide their own, in-depth sector specific training, which, anecdotally, may be almost akin to an apprenticeship without official recognition or government funding.

20 TECs have now been abolished and LSCs set up: it is to early to say whether the same views will be expressed on LSC's management of the Modern Apprenticeship initiative

The delivery of mechanisms for Modern Apprenticeships are currently under review and fundamental changes are being introduced.

- the **print and graphic communication** sector has been in the forefront of the drive to increase the number of young people achieving Modern Apprenticeships. Between 1995 and 2000 a total of 3,089 registered on Advanced Modern Apprenticeships in England and Wales. Foundation Modern Apprenticeships were less popular. In terms of employer involvement, 21 per cent of employers are currently involved and a further 15 per cent plan to do so over the next 12 months;
- 70 per cent of employers in **publishing** have heard of Modern Apprenticeships. However, involvement is low. Less than one in ten (seven per cent) have any involvement with Modern Apprenticeships. Again, it is more likely to be larger employers or those involved in newspaper publishing.

4.5 Summary

Recruitment of people, particularly those who have come straight from the education system (but by no means exclusively these) will generally be accompanied by some employer-based training. In addition, employers are aware of the changing nature of skill requirements and many do provide training.

There would appear to be considerable scope for increasing and promoting levels of HR planning within the media and creative sectors. At an overall level it would appear that those that do **not** engage in human resource planning are in the majority, with the general pattern being that it is mainly larger companies who engage in a formal planning of training.

Comparing the extent of training provision over the different sectors is particularly problematic because of different definitions used in the various surveys. Whilst there appears to be wide variations in the propensity of employers to provide training, this may be as much a result of these definitional factors as a reflection of reality. For example, data for publishing encompasses all training, yet that used by the printing sector is a tighter definition and excludes health and safety and induction training.

Regardless of the actual level of training provision, there are a number of common themes which appear to hold true across all the sectors, in that employers are more likely to offer their employees training if they:

- are larger: the bigger the employer the more likely that training activity takes place;
- have business and training planning mechanisms in place;
- have an IT and technology base that is relatively sophisticated.

These factors are inter-related: larger companies are more likely to have planning mechanisms in place and are more likely to have invested in sophisticated technology. However, there are also examples of small companies which have planning processes and provide training: in essence, these small companies are displaying ‘big firm’ tendencies. Whilst we can identify these positive clusters of attributes we do not know what leads to them existing and because of this, how to promote them.

There is a considerable range of training being offered within each of the sectors, with employers offering both highly formalised, often college-based, training alongside less formal on-the-job training. Evidently employers have identified different training routes for different problems.

Evidence suggests that awareness of **Investors in People** is high across employers regardless of sector. However, awareness may be lower amongst smaller firms and there may be a greater need to improve understanding and generate involvement.

There are some concerns that it is difficult for micro businesses to involve themselves with Investors in People. Small companies tend to operate on a relatively informal basis, which does not always sit easily with the systematic and formal approach required to meet the Investors in People award.

National Occupational Standards and (to a lesser extent) **NVQs/SVQs** are available in nearly all the sectors covered. Reactions to NVQs has been mixed: levels of take-up in photo-imaging and printing are seen as encouraging, whilst in publishing take-up has been far lower. Within the audio-visual industry, take-up has been high in areas such as lighting and camera, but lower in new or emerging areas such as interactive media. However, it is known that the existing standards are used by the larger organisations for purposes other than the award of the qualification. Many use the standards as the basis for in-company training and appraisal.

The print sector has been in the forefront of the drive to increase the number of young people achieving **Modern Apprenticeships**. Between 1995 and 2000 a total of 3,089 registered on Advanced Modern Apprenticeships in England and Wales. Foundation Modern Apprenticeships were less popular. In terms of employer involvement, 21 per cent of employers are currently involved and a further 15 per cent plan to do so over the next 12 months. The take-up in other sectors has been limited to date.

5. Recruitment, Retention and Skills Issues

5.1 Introduction

This section examines supply and demand issues.

Recruitment difficulties and skill gaps are defined by the National Skills Task Force:

- **hard-to-fill vacancies** are employer defined and may arise for a variety of reasons that are not due to an aggregate lack of skills in the external labour market (such as the company paying low wages). A specific sub-sector of hard-to-fill vacancies are **skill shortage vacancies**, which are those where there is an excess of demand over supply of required skills in the external labour market, and are attributed to a lack of applicants with the required skills, a lack of applicants with the required qualifications and/or a lack of applicants with the required work experience;
- **internal skill gaps**: are skills shortages amongst the existing workforce and are defined as being a divergence between an organisation's current skill levels and those which are required to meet organisational objectives.

5.2 Hard-to-fill vacancies

5.2.1 Existence of hard-to-fill vacancies

The national Employer Skills Survey (2001) reports that around 14 per cent of all employers reported vacancies at the time of the survey (representing 766,000 vacancies in the labour market). Just over half of these were described by employers as being hard-to-fill: ie eight per cent of all employers and approximately 358,000 jobs in total. Around one half of these recruitment difficulties were skill-related: ie four per cent of establishments have skill shortage vacancies, affecting in total 159,000 vacancies.

Thus, on the face of it, the overwhelming majority of establishments do not experience hard-to-fill or skill shortage vacancies and this is generally the situation for the media and creative industries. Overall, there is relatively little experience of hard-to-fill vacancies across the sectors, with most employers finding that they have sufficient applicants for jobs. Of course, the existence of hard-to-fill vacancies is very dependent on the economic cycle and the evidence has been gathered at different times in this cycle, which means that data is not directly comparable. Best estimates indicate that across all sectors about one employer in ten will be facing a hard-to-fill vacancy at any one time.

Audio-visual

Historically there has been an over-supply of applicants seeking work in the audio-visual industries. The issue for the audio-visual industry, therefore, appears to be more of skill gaps rather than one of recruitment difficulties.

However, there are specific jobs that do suffer from recruitment difficulties. This includes qualified broadcast engineers, which is part of the wider issue of the image of engineering as a career, and competition from other sectors, which are seen as being more 'glamourous' or better rewarded. In particular IT and computing are reported to be attracting many graduates away from broadcast engineering.

There is also a need to keep an eye to the future. The rapid growth of some sectors, notably digital media, may create a sudden demand for large numbers of people with specific skills at a rate that makes it difficult for training and education providers to keep track of demand.

Design

There is a very low incidence of hard-to-fill vacancies for designers:

- amongst design consultancies, only four per cent of companies had hard-to-fill vacancies. This is mainly due to a very low level of any vacancies. In total only six per cent (10 design consultancies) of the sample had a current vacancy for a manager, designer or design junior at the time of their interview;
- amongst non-design consultancies, only three per cent of companies had a hard-to-fill vacancy for a designer or design juniors at the time of the interview.

This view is certainly reinforced by the findings from the focus groups, which suggested that there is plenty of talent to pick from:

> ‘the number of people at college on design courses - and good design courses - is a lot bigger than the number who will get work as designers. There is no shortage I can see.’
>
> *Designers in publishing focus group*

However, there was a view that young people in college are often not aware of the variety of opportunities available, for instance that publishing is a sector that offers a number of opportunities for designers.

Photo imaging

The most recent Skills Foresight found no hard-to-fill vacancies. Difficulties identified in previous research of recruiting mini-lab staff no longer seem to be a problem as no one reported hard to fill vacancies.

Print and graphic communication

10 per cent of establishments in printing and packaging companies were facing hard-to-fill vacancies, lower than the national average. However, the difference is mainly due to the fact that fewer establishments actually have any vacancies. The ratio of establishments with vacancies to those with hard-to-fill vacancies is in line with the national average, at about half.

The most common occupation with hard-to-fill vacancies is machine printers, followed by computer and IT staff. The proportion of hard-to-fill vacancies is roughly in line with the distribution of overall employment, suggesting that all positions within the sector are similarly difficult to fill and that the sector suffers from difficulties in attracting suitable applicants across the full occupational spectrum.

The most common reason for hard-to-fill vacancies in the sector is a low number of applicants with the skills required (75 per cent of all hard-to-fill vacancies), with a further third stemming from a sheer shortage in numbers of applicants. This would seem to confirm that there are issues around the perceived attractiveness of this sector that cause problems, even when specific skills are not mentioned.

Publishing

The publishing Skills Foresight research suggests that one in every ten (10 per cent) employers had a hard-to-fill vacancy. Hard-to-fill vacancies are predominantly a London phenomena, with over a third of publishers (35 per cent) in London facing hard-to-fill vacancies, compared to 13 per cent in the south-east, seven per cent in the rest of England and six per cent in Scotland.

Putting this into the context of the number of current vacancies that those employers stated they had, overall 20 per cent of current vacancies were proving hard-to-fill. This is particularly the case for vacancies in associate professional and technical occupations. Again, it should be remembered that this occupation group covers editorial, where one in four (26 per cent) vacancies were proving hard-to-fill. Of the other major areas for vacancies, 22 per cent of sales and customer service vacancies were proving hard-to-fill, whilst administrative and secretarial vacancies were not proving as difficult. Only one in ten of these (nine per cent) were regarded as being hard-to-fill.

There has been increasing debate about the problems of recruiting editorial staff. Whilst demand has increased, there has also been an increase in supply, with more postgraduate trained journalists. In terms of recruitment, the number of new graduate entrants is not thought to be an issue, indeed there may be an oversupply of postgraduates seeking employment. However:

- there are more problems filling experienced level jobs;
- there is concern over the quality of new entrants throughout the industry.

5.2.2 Impact of hard-to-fill vacancies

Evidently, because there are so few hard-to-fill design vacancies, the impact is limited. Amongst the minority of companies who do have them, the main impact is the delay in developing new products and services, and difficulties meeting customer service objectives.

5.2.3 Action taken to overcome hard-to-fill vacancies

The National Skills Survey found that where hard-to-fill vacancies existed the most common resort was to increase salaries (44 per cent of all hard-to-fill vacancies), followed by increasing training and redefining existing jobs. It is worth noting that 29 per cent of employers across the UK stated that they were taking no actions.

This type of response, increasing efforts to expand the search for suitable applicants, is common across the sectors in the media and creative industries. To some extent this is understandable, as an obvious first step is to simply intensify the search rather than take action that may involve considerable internal disruption. However, it does add further to the impression that employers tend to think about skills issues in an externally focussed manner.

In the media and creative industries there were no current hard-to-fill vacancies and so there were no actions being taken to overcome them. In previous years, when hard-to-fill vacancies have existed, the main response to the hard-to-fill vacancies in the photo-imaging sector has been to recruit and train inexperienced or less experienced staff (64 per cent). In addition, a third of employers (32 per cent) had retrained existing staff.

5.3 Internal skill gaps

5.3.1 Existence of internal skills gaps

Data from the national Employer Skills Survey (2001) shows that seven per cent of establishments have internal skill gaps. Grossed up to the whole economy this suggests that 1.9 million employees are not fully proficient at their jobs.

Comparing the data on skill gaps and skill shortage vacancies it can be seen that almost twice as many establishments suffer from internal skill gaps as do from skill shortage vacancies.

Audio-visual

A skills gap in ICT has been identified across all sub-sectors within the audio-visual industry. One of the particular concerns for the audio-visual industry is that most ICT teaching and learning has emphasised basic ‘how to make the technology work’ skills, whereas there is a strong argument that using a computer as a creative learning tool rather than as teaching machine would lead to more enduring change.

In addition, there are concerns about gaps in management and business skills, including sales and marketing, administration, accountancy, financial planning and staff recruitment.

Concern has been expressed about the employability and key skills of new graduate entrants, particularly with young people not being able to ‘find their own learning’.

Design

With regard to managers and designers, there is very little evidence of skill shortages. The majority of large companies employing designers, and design consultancies, regard all or nearly all their managers and designers as being fully proficient at their jobs.

Photo imaging

The research on skill gaps in the photo-imaging sector used a different methodology to that for the other sectors, in that employers were simply asked if there were any occupations in which their staff had skill gaps. Using this methodology half of all employers in the sector thought that there were occupations with skill gaps.

The major skill gaps in the sector are related to the introduction of digital imaging. This can be broken into three areas:

- knowledge of digital imaging. There is a problem with knowledge about what changes are taking place in the sector. Photography related staff need to know the ‘pros and cons’ of the new technology and processes relating to it, they need to know when it is best to use it, and when it is best not to do so. They need to have enough knowledge to be able to explain this to their customers;

- knowledge of the actual technology. Staff need technical training at basic, intermediate and higher levels in specific equipment, software and processes. This relates especially to 'photoshop', the sector specific standard software for photograph manipulation, where businesses in the sector feel that there is insufficient training available to teach people new to the software to be able to use it efficiently;
- business skills relating to how to cope with the new changes, particularly costing and time management.

Aside from the problems relating to digital imaging, there are also problems relating to the interpersonal skills of the photographers themselves. A requirement of the job is to spend a good deal of time in a studio with clients and there is a need to be able to communicate well.

The focus group identified a problem with the combination of creative and technical skills:

> 'generally technical staff do not tend to be very creative and creative staff are not very technical. It is difficult to train someone to be creative, and the courses available do not train the creative people to be technical'
>
> *Photo-imaging focus group*

Print and graphic communication

A fifth of employers in the print and graphic communication sector believe that they are currently suffering from skills gaps (the same level as the national level). However, when this is expressed as a proportion of employees, the data suggests that nine per cent of staff are thought to be less than fully proficient at their jobs.

Publishing

The majority of employers believe that all their employees, in each of the staff groups, are fully proficient at their jobs. In total 86 per cent of employers say that all their staff are fully proficient, with only 14 per cent stating that some members of staff are lacking in any sense.

When expressed as an employee-based measure, employers believe that of the 40,554 employees covered in the Skills Foresight research, 39,388 (97 per cent) are fully proficient at their jobs. The only occupational group where a significant number of employees are thought to be less than fully proficient is in the 'other' group.

5.3.2 Nature of skill gaps

The National Skills Task Force[21] proposed a three-way classification of skills, being either 'generic', 'vocational' or 'personal attributes', defined as being:

- **generic skills** are those skills that can be used across large numbers of different occupations. They include what are defined as 'Key Skills' - communication, problem solving, team working, IT skills, Application of number and an ability to improve personal learning and performance. They also include reasoning skill, scheduling work and diagnosing work problems, work process management skills, visualising output, working backwards for planning purposes and sequencing operations. The demand for these skills has increased in recent years, fuelled by the increased emphasis on satisfying customers and the growing complexity and autonomy of many jobs;

21 Skills for All: Research Report from the National Skills Task Force, DfES, 2000

- **vocational skills** are occupational or technical skills needed to work within an occupation or occupational group. They are essential for performing certain tasks. Some vocational skills (e.g. foreign language skills, computer programming skills) are transferable across some occupations whilst others (such as operating particular pieces of machinery) are not. A common trend is for people to have a primary occupational skill, such as a mechanical engineer, which is enhanced through the development of dual or multi-skilling in another, related, occupational area such as electrical engineering;
- **personal attributes** are more difficult to define and it can be argued that they are not skills at all. They relate to the characteristics that employers say they most often look for in an applicant when recruiting. They are frequently defined in terms of motivation, judgement, leadership and initiative. Some can be taught or learned (eg leadership) while others are more immutable, though not to the extent that they cannot be improved through some form of learning. Personal attributes encapsulate the desire of employers for employees who are flexible, adaptable and able to cope with change or uncertainty. Employers' greater use of aptitude testing and assessment centres testify to the increasing importance of these attributes in developing a workforce that is well suited to the needs of a high growth economy.

Some care needs to be taken when using this framework when it is applied to employer views about skill shortages because this typology may not be well understood. In addition, the different studies used in the media and creative industry sectors have employed different definitions and/or categories of these skills.

Audio-visual

The nature of the skills gaps differ according to the sub-sector within the broader audio-visual industry:

- television reports skills gaps in mainly vocational skills areas of: graphic design, web design and development, software engineering, freelance make-up artists. There are also some generic skills shortages: producer-directing (as a dual role), production management, production secretaries, sales and marketing and business management, although these will evidently have very sector-specific elements to these areas;
- film reports vocational skills gaps in the area of production accountancy, line producers, script reading and editing, craft and technical grades, specialist media law and generic skills shortages in health and safety;
- digital content creation reports gaps in management skills;
- animation reports skills gaps in vocational skills such as basic drawing skills, capability to exploit opportunities in digital content creation, pre-production (including scriptwriting, design, storyboard and layout), producing and production management and trainers.

Design

The evidence suggests that skills gaps are very limited in the design sector. To the extent that they do exist, they are for:

- managers: the main skill gap areas are in management skills, particularly project management skills, other management skills, commercial business awareness and advanced IT skills;
- designers: the main areas of deficiency for designers are in generic commercial/business awareness skills and customer handling and relations skills. There are no indications of skill shortages in specific vocational design skills.

One of the biggest skills that new entrants to the design industry have to learn is commercial awareness, with a mind-set shift required:

'they have got to realise that it goes beyond creating a work of art; they have got to tie it into the business.'

'they have to realise that the business they are in is mass entertainment. The page they have just designed doesn't sit on its own, its part of a whole and will be seen by thousands. It's a different mind-set.'

'they have suddenly got clients, not patrons. It's a big difference.'

Designers in publishing focus group

Photo-imaging

The overwhelming skills gaps in the photo-imaging sector were perceived to be awareness of vocationally-based digital technology and a more generic general computer literacy. These gaps were not limited to technical staff, but also perceived to exist in management and supervisory staff.

Print and Graphic Communication

The most common skills gaps in the print sector were advanced IT skills, basic IT skills and the ability to operate new machinery. Whilst these are generic skills these will all have specific industry elements to them, leading them towards the vocational. These are all tangible or 'hard' skills, perhaps indicating that the focus of employers is very much on the pressures of day to day production.

Publishing

In publishing the main skills lacking varied according to the occupational areas, with common themes being:

- that many of the skills that are thought to be lacking are central to that job role. For example, the most common missing skill for managers is generic management skills, for editors, written communication skills. The shortage areas are not peripheral 'add-on' skills, but central to the job performance;
- that a shortage of IT skills is common across the four higher level occupations;
- the need for experienced people is common across nearly all occupations.

With the increased attention being paid to new media and IT skills it is perhaps possible that the fundamentals can be forgotten.

Comparable data from the national skills survey puts a far greater emphasis on communication, customer handling, team working and problem solving skills. Possible reasons why publishing varies from the national pattern are that:

- these skills which have been found to be in shortage nationally are generally a pre-requisite for entry into publishing and it would, therefore, be unusual if these skills were lacking for existing employees. However, the industry is at the leading edge in the application of IT and new software developments, hence it is in these areas where the skill shortages emerge;
- the growth in the sector has led to staff receiving an accelerated promotion into new jobs before they are fully ready and not 'eased' into their new roles, leading to the shortage of experience. This may particularly be a factor in smaller companies.

5.4 Latent skill gaps

It is possible that the incidence of skills shortages is under-reported, because of:

- unreported skill gaps which occur because employers fail to recognise (or own up to) shortages which occur with respect to their existing business strategies, technologies and work organisation; and
- latent skill gaps are additional deficiencies which would emerge if businesses altered their strategies or to set higher goals to achieve better performance.

In either case, it is likely that if the 'true' state of affairs were to be recognised then there would be greater reporting of skill deficiencies than at present.

In **photo-imaging** findings from the focus groups suggest that there is a mix of businesses that are using the latest technology and those that are resisting it. This is not always a negative aspect. Sometimes it is not appropriate or cost efficient to use the new technology, and it would be preferable to use 'conventional' technology. Reasons given for not adopting the new technology were given as:

> 'I only have two - three years to go to retirement and I would never get my money back'
>
> 'I just don't have the energy to learn all the new skills.'
>
> 'I've got enough work for the foreseeable future.'
>
> 'I am waiting for the inevitable drop in the costs involved.'
>
> *Photo-imaging focus group*

Other businesses in the photo-imaging sector had taken an opposite view and invested heavily in the new technology, which they believed would enable them to realise cost savings, provide a wider range of services to better meet the needs of the customer.

The new technology is seen in two ways: as a 'carrot' to be pursued or as a 'stick' that threatens their way of business. The biggest concern appears to be whether there will be a sufficient return on the investment. Developments are moving so quickly that unless payback is achieved within two years, then the new equipment will be superseded and they will have to invest again.

Latent skill gaps may also exist elsewhere in the sector:

- in **publishing** because of the rate of turnover. If an employer loses a member of staff then it is unlikely that they will find a replacement at the same level. Employers will often recruit someone who is more junior and ‘train them up’. Whilst this is not a skills gap in that these new recruits are proficient at their level, it may be the case that the particular could be done better by someone more highly skilled; and
- in design, because new technology (such as CAD) continues to be diffused within the industry and as this process continues yet more designers will need to develop the skills to use this software.

5.5 Retention issues

A particular problem that may affect some of the sectors in the media and creative industries is that of retention.

A fifth of employers (21 per cent) in **publishing** believe that retention rates were adversely affecting their company’s performance. Difficulties with retention rates appear to be higher in some areas than others: newspaper publishers, larger firms and particularly affecting journalism. There are also issues regarding other creative talents that are able to transfer to other industry sectors:

> ‘there’s no hard evidence to back this up, but it’s a general feeling that the demand for designers is increasing from other sectors (which have begun to recognise the value of designers) and that publishing may be losing out to some of these sectors.’
>
> *Designers in publishing focus group*

This also appears to be a problem for employers in **photo-imaging** sector. 31 per cent of employers state that retaining staff is a concern. Similarly the evidence from employers in the **print and graphic communication** industry stated that they had retention problem, although the reasons are considerably different from that for designers noted above. Retention problems here relate to working conditions:

> ‘the problem is with operating a shift system. Young people can often earn more elsewhere without disrupting their social lives’
>
> *Printing focus group*

Many of the retention problems may be linked to issues around job design. If people are restricted and limited to what they can do then they will quickly leave.

5.6 Earnings data

Data on earnings are often used as an indicator of skill deficit problems, though fast growing salaries can also be an indicator of other trends. There are various sources of information on pay levels in the different sectors covered by this Dialogue, which can make comparisons difficult. In addition, data taken from the main, central source of information, the New Earnings Survey, requires some care as it covers only employed individuals. It is likely that in an industry which has such a large proportion of freelance and self-employed people that the early signs of skills deficit are revealed by increases in day rates amongst these groups. Conversely, downturns will be reflected initially in under-utilisation and under-employment amongst these groups.

Design Week's latest salary survey, suggest that junior designers start at around £17,000, for middleweight designers (no longer beginners and rising up the ranks) will earn around £25,000 in London, account managers earn around £30,000, while most managing directors of consultancies cannot expect to earn more than £80,000.[22]

In the audio-visual sector, looking just at the earnings of freelances, approximately one quarter each earned between £12,000 and £19,000 (25 per cent), £20,000 and £29,999 (24 per cent) and £30,000 and £49,000 (27 per cent) per year. Seven per cent earned in excess of £50,000, or (at the other extreme) less than £6,000 in the past year.

5.7 Summary

Each of the sectors reported the existence of hard-to-fill vacancies, with about one employer in every 10 having positions they are finding it difficult to fill. Specific points to note on hard-to-fill vacancies are that:

- they can be very sector specific: in the printing sector the most common occupation with hard-to-fill vacancies is machine printers; in publishing the shortage areas relate to vacancies for editorial jobs, where one in four (26 per cent) vacancies were proving hard-to-fill; in audio-visual, production accountancy in film remains a shortage area, while broadcasters continue to report difficulties recruiting broadcast engineers. The rapid growth of the interactive media sector has posed challenges for the development of management skills and effective teamworking;
- they can be geographically limited. In publishing hard-to-fill vacancies are predominantly a London phenomena, with over a third of publishers (35 per cent) facing hard-to-fill vacancies, compared to seven per cent in the rest of England.

The hard-to-fill vacancies are having a range of impacts on employers: preventing businesses from moving forwards in terms of developing new products and services and refining existing products and services; maintaining quality standards; loss of business opportunities and increased operating costs (40 per cent).

Internal skill gaps are skills shortages amongst the existing workforce. The experience of these varies across the media and creative industries. In the photo-imaging sector half of all employers thought that there were occupations with skill gaps. A fifth of employers in the printing sector believe that they are currently suffering from skills gaps. However in publishing the majority of employers believe that all their employees, in each of the staff groups, are fully proficient at their jobs.

There are a number of common areas of skill gaps, mainly in the area of IT. However, individual sectors have gaps that are specific to them: in photo-imaging skill gaps relate to digital technology, in printing to the ability to operate printing machinery.

In addition, it is possible that the incidence of skills shortages is under-reported. **Unreported skill shortages** and **latent skill gaps** are skill deficiencies not recognised by employers, or resulting from outmoded business strategies, but which constrain the potential for economic success. Were employers to set higher goals to achieve better performance then they would recognise greater skill deficiencies than at present.

There is also emerging evidence that **retention** of staff may be an issue for employers. In publishing, a fifth of employers believe that retention rates were adversely affecting their company's performance. Difficulties with retention may have eased over the last two years with the difficulties that some companies have faced, and in particular the bursting of the 'dot.com' bubble, but can be expected to re-emerge as the economy grows.

22 The Guardian, January 19, 2002

6. Emerging Skills Issues

6.1 Introduction

This section examines skills issues that are emerging across the media and creative industries.

6.2 The influences on future demand

There are a number of key drivers that will influence the future demand for skills, which include:

- economic;
- changing patterns of demand;
- changing patterns of doing business.

Economic

The overall level of economic growth is a fundamental driver in the demand for the products and services provided by employers within the media and creative industries. The overall demand for staff in the sectors is clearly related to the overall health of the economy, with an assumed relationship in that the faster the rate of overall economic growth the greater the expansion of demand for staff. However, it is not a linear relationship, and the pattern of increased demand will depend on changes in the pattern of that demand and the way in which companies do business.

Revenue for each of the sectors is difficult to determine with some debate about actual levels. The *Creative Industries Mapping Document, 2001*[23] gives indicative figures for three of the Mediate sectors and shows that these generate revenues of around £60.9 billion. Given that two of the sectors do not have data given (photo-imaging and printing) and that sectors will have revised these figures upwards, then this data is most likely a substantial under-estimate of the sector's contribution to GDP.

Estimated revenues	£
Audio visual (including TV & radio, and film & video)	15.7
Design	26.7
Publishing	18.5

Source: DCMS, Creative Industries Mapping Document, 2001

Changing patterns of demand

Growth will not proceed at the same rate across all the sectors in the media and creative industries, nor within sub-sectors.

Publishing in particular is subject to change. In the past the industry was almost exclusively concerned with 'print on paper'. Whilst this is still the primary output of the majority of employers in publishing, increasingly the same content, and other original content is being delivered electronically. The means of delivery can be through free, subscribed or commercial on-line services, on CD ROM, or via the internet and e-mail. Therefore, traditional 'print on paper' employers now offer interactive publishing as well. However, a new breed of employers has entered the arena, employers who in the past might have been called 'software producers'. 'Traditional' publishers have needed to add to their skills in order to deliver content electronically.

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The **photo-imaging** sector is undergoing the biggest revolution since the invention of photography - digital imaging. This rapidly developing new technology, which demands high level information and communication technology skills is impacting on the traditional methods of capturing and printing images. The digitalisation of images is affecting all parts of the photography and photographic supply chain, from origination through to production and supply. At the same time, it is becoming apparent that customers are becoming more sophisticated in their purchasing habits and they are more aware of new technology approaches than they were previously. This has led to the need for improved customer service emerging as a priority in the sector to meet these new demands.

Changing ways of doing business

Technological change is perhaps the most important driver of skill demand, which is changing the ways in which companies produce their output.

In **printing**, the move towards digitalisation means that there will be more digital communication between print/graphic communication firms and their clients and much less face-to-face communication. This is particularly important because it increasingly means that printing can be carried out anywhere in the world where prices are most competitive. Furthermore, there will be developments in digital printing, with consequent reductions in litho, screen and gravure printing.

This new technology is expensive to invest in, but it is difficult to meet customer demands without its adoption. The pace of change is such that any new technology relatively soon becomes outdated. Smaller firms in particular are under enormous competitive pressure.

6.3 Changing skills

Audio-visual

In the audio-visual sector the ‘defining competence’ of the digital era will be content mastery. As the value of content grows, because of the increase in convergence of distribution channels, there will be greater scope for the re-usage of creative assets. This makes the role of content management all-important.

Technological changes have already created a raft of new occupations within large ‘traditional’ companies and small and specialist companies alike. In the area of content production, a specific feature is the interdisciplinary, team-based nature of the work, often requiring a combination of technical, creative and business skills. This cuts across traditional professional and training demarcation lines. Many of these new jobs will require hybrid skills whose development is not currently accommodated by higher and further education provision.

Design

Only a minority of design consultancies believe that skills are not changing - 22 per cent do not think that skills are changing for managers and 23 per cent for designers. The biggest reason for changing skills is the introduction of new technology, with nearly all those who think that skills are changing believing that this is a reason for increasing levels of skill need.

The development of new software packages allow a ‘reasonably talented’ person to do a reasonable job at design, although it is not at the same level as if it were done by a fully trained designer. Because of this some managers may also do the design work and designers are disappearing from some areas, particularly the more routine jobs. Even where there are designers in posts, the numbers of them are reducing, so that designers have to be able to do more, and to it quicker. There is therefore greater pressure on the job.

IT has changed the way of producing designs, but the essential task of the designer stays the same: technology only makes it quicker. This greater speed of execution has facilitated the tightening of deadlines by clients. The technology has reduced the number of staff required to produce a design:

'compared to 10 or 15 years ago, we'd have probably been employing 60 people rather than 25 and we still wouldn't have been able to do it so quickly'

Design Focus Group

There is also a need for designers to interact at an earlier stage with management and their clients. They have direct communication rather than have a middleman. This is an extra skill that in-house designers need to have:

'they have direct communication with their client rather than go through a middleman. If they worked for an ad agency a junior designer would never get to meet the client - they keep the creatives in the back room until they are ready to be let out.'

'they have to get on with the editor and the rest of the team.'

Designers in publishing focus group

Looking to the future, employers were asked what skills and abilities would become more important for their deign workforce over the next 2-3 years. A minority of design consultancies (14 per cent) thought that no skills would become more important. However, the majority thought that at least some skills would become more important, particularly advanced IT or software skills (72 per cent).

Photo-imaging

The emergence of the new digital technology is having an increasing impact on the skills needed in the sector. However, it is important to remember that there is still a critical need for education and training in traditional photographic skills.

There are two levels of training required for digital technology skills:

- training for people who work directly with digital technology (eg capturing, processing and manipulating images etc); and
- training for those who need to know about digital technology in that they are the ones who 'front' with customers.

The impact of digital imaging is thereby affecting the required skill sets dramatically, impacting upon not just the process of photography, but on the way that the businesses are managed and run. The focus groups found that digital imaging is affecting skill sets for three different groups of staff:

- **owners and managers**: need to develop their business skills in order to use digital imaging to their advantage: but there does not appear to be any training available to meet this need;
- **sales staff** (in photo processing and retail outlets): need to know what digital imaging can do and when it is appropriate to use, as customers are asking for its use when it is not always appropriate;
- **photographers**: need a knowledge of 'photoshop', the industry-standard software for the manipulation of the captured images.

There are a number of digital imaging training courses available, but these are considered to be basic and not to provide the skills and abilities that are needed. There is a need for more advanced techniques courses to be made available throughout the UK. As a result staff are currently learning digital imaging on-the-job and, more often than not, by trial and error.

Print and graphic communication

Increasing demands are being placed on managers, who are at the sharp end of having to deal with changing technologies and changing customer demands. Managers need a wider range of competences than they have had in the past and need to be able to develop a more flexible workforce, to assimilate the changes in technology, to manage the move to 24 hour working and to capture new markets that are opening up.

Publishing

The majority of employers (just less than nine out of ten) believe that skills needs have changed, with only 13 per cent stating that they had not changed. The most common reason for skills change is the introduction of new technology (80 per cent of employers), with 69 per cent saying that skills are needed to develop new products and services and two-thirds (66 per cent) that they are needed to cope with new working practices.

This importance of new technology on skills in publishing is emphasised when we examine the skills that employers expect to become more important over the next two to three years. Far and away the skill areas which are thought to become more important relate to new media and web skills (70 per cent of employers) and other advanced IT and software skills (69 per cent). Basic computer literacy skills were mentioned by 38 per cent of employers.

Employers consistently mentioned ‘key skills’. 25 per cent mentioned team-working skills, 24 per cent problem solving skills and 23 per cent written communications and oral communication skills. A minority of employers mentioned basic skills, with 15 per cent mentioning literacy skills and numeracy skills.

6.4 Summary

There are a number of key drivers that will influence the future demand for skills, which include:

- **economic**: the overall level of economic growth;
- **changing patterns of demand**: customers are changing the ways that they want products and services delivered;
- **changing patterns of doing business**: technological change is perhaps the most important driver of skill demand, as it is altering the ways in which companies produce their output.

These factors are having an increased impact on skills needed in the industry, with demands for these new skill areas to be mapped onto existing skill bases of employees. The need will be for employees to be able to do their jobs to a higher standard, at an ever-increasing rate.

7. Discussion and Areas for Action

7.1 Introduction

This Dialogue has sought to draw together in one source the available evidence on employment and skills in the media and creative industries. The task has not been straightforward. The sectors do not easily fit into standard classifications, which means that national data sources are not readily applicable. Specific sector-based market information is also at different stages of development in each of the sectors and is not evenly spread. Where possible, gaps have been covered with a programme of primary research.

Beyond the data issues, there are also aspects of the sectors covered by this Dialogue that do not lend themselves to aggregation. The sectors themselves are very different, employing different types of people to undertake different functions. It may well be that more separates them than they actually have in common.

However, based on the information available, the research undertaken and the employer views given at the national seminar, a number of common areas have been identified that exist, to differing extents, across each of the sectors. This section discusses these areas and makes initial suggestions as to further actions that may be taken.

7.2 Attracting the workforce needed

Overall, relatively few employers in the each of the sectors reported the existence of labour market difficulties:

- about one employer in every 10 reported a **hard-to-fill vacancy**; and
- the experience of **skill gaps** varied. In the **photo-imaging** sector half of all employers thought that there were occupations with skill gaps. A substantial number of employers (about a fifth) in the printing sector believe that they were currently suffering from skills gaps. However, the majority of employers in other sectors believe that all their employees, in each of the staff groups, are fully proficient at their jobs.

Whilst current labour market difficulties (either recruitment difficulties or skills gaps) are relatively rare, there are specific points to note. Difficulties are:

- very sector specific: in the **printing** sector the most common occupation with hard-to-fill vacancies is machine printers; in **publishing** the shortage areas relate to vacancies for editorial jobs, where one in four (26 per cent) vacancies were proving hard-to-fill; in **audio-visual**, production accountancy in film remains a shortage area, while broadcasters continue to report difficulties recruiting broadcast engineers. The rapid growth of the interactive media sector has also posed challenges for the development of management skills and effective team working;
- geographically limited. In **publishing**, for example, hard-to-fill vacancies are predominantly a London phenomena, with over a third of publishers (35 per cent) facing hard-to-fill vacancies, compared to seven per cent in the rest of England.

This is obviously a reassuring picture in general terms. But there is a need to avoid complacency:

- the picture painted above is a snapshot in time. Much of the research reflects a period when sectors of the industry were in the throes of, or just recovering from, the overall slowdown in growth of the economy over the last two years. As the labour market tightens, shortages and recruitment difficulties may reappear;
- overall, employment within the group has grown, albeit as a result of different trends within the group. Looking to the future, available data all suggest that there will be further growth. Employment in printing will stabilise, whilst that of the occupational groups who make up much of the other sectors are expected to show significant growth: designers, journalists and media professionals. This could lead to an increase in hard-to-fill vacancies as competition for highly skilled individuals rises;
- the media and creative sectors, with the exception of photo-imaging, tend, on average, to employ higher proportions of high-level occupations, which gives them a more highly qualified workforce than that of the UK as a whole.

Industry action

Employers across the sectors need to maintain the profile of the media and creative industry as attractive to work in, and one that seeks to employ the most highly qualified and skilled in ways that allows them to use their creative skills in a business environment.

There is also emerging evidence that **retention** of staff may be an issue for employers. In **publishing**, a fifth of employers believe that retention rates were adversely affecting their company's performance. Difficulties with retention may have eased over the last two years, with the uncertain job market, and in particular the bursting of the 'dot.com' bubble, but can be expected to re-emerge as the economy grows.

This is exacerbated by the fact that the workforce within the media and creative industries tends to be young, with three of the sectors (publishing, audio-visual and design) having a predominantly young workforce. However, we need to learn more about the dynamics of the labour market and how the career profiles of such workers develop.

Industry action

The sectors need to put in place a work programme so that they fully understand the labour market dynamics which impact upon retention, both for individual firms (the factors which prompt people to leave for other companies) and for the industry (the factors which prompt people to leave the media and creative sectors).

7.3 Influencing education provision

The growth in education provision has led to large numbers of young people studying 'relevant' courses, but there is concern about the quality of some of the courses. In design, for example, it is estimated that about five times as many students leave UK design colleges each year as there are jobs available. The expansion of further and higher education has led to a view that the quality of teaching has been stretched, with concerns about the ultimate quality of graduates.

Employers in the media and creative industries believe that there are too many courses and qualifications, leading to a devaluation of each. Employers may be putting emphasis on the educational institution that the young person has attended, amongst those with a relevant qualification.

Even when discussing well-established qualifications, there are a number of issues that need resolving:

- whilst demands in the world of work are changing rapidly, the qualifications are not changing in response, or if they are changing they are not changing fast enough. There is a growing gap between the qualifications and the skills needed in work;
- course content needs to be more flexible, perhaps with an increased use of modular components to allow a 'pick and mix' qualification;
- greater employer contribution is vital. Employer input needs to be integrated into courses in a much quicker fashion and employers must be encouraged to increase participation (ie in validation panels etc).

Given the range of differences we have seen across the sectors, it is unlikely that courses or qualifications could be standardised across the sectors.

Industry action

The media and creative industries need to continue the dialogue with education providers with an aim to:

- improving standards, which may require a greater level of funding for, and quality assurance of, provision. The emphasis has to be on 'better' not simply 'more';
- improving the level of 'work-readiness' of graduates, possibly by including more work-relevant aspects (eg studio-based working for design), visiting lecturers, work experiences and/or sandwich elements in courses.

Employers have their part to play in this in that they need to provide more work placements to give young people a start. It is recognised that employers find it hard to dedicate time to organise these properly, but the sectors must:

- offer support to help employers manage these; and
- publicise the benefits of work placements, not least that they are a means of saving on recruitment costs, by identifying potential talent early.

7.4 Attracting the best talent

Parts of the industry (audio-visual, design and publishing) continue to be attractive to young people and sufficient numbers apply. Other parts, notably printing has more difficulty in attracting young people. The industry has to plan to continue to attract the **best** talent required to staff that growth. It needs to do this in the face of competing and expanding demands for a limited pool of people from other industry sectors as well as within media and creative sectors.

At the moment there is a plethora of specialist media courses that are portrayed as being an entry into the industry. Young people need to be made aware that on their own these qualifications may not suffice and that, even if employment is secured, the new entrant will have to start at the bottom and work their way up.

Industry Action

The media and creative industries need to examine the current state of careers information to build on that which is already available and to build active and accurate careers information and guidance.

The industries need to increase their involvement in careers activities from ‘cradle to grave’.

Whilst consistent data is not held across all the sectors, it appears that employment levels of people from ethnic minority groups is roughly in line with that of the national average. However, it needs to be remembered that many of the activities of media and creative industry employers are concentrated in major metropolitan centres, particularly London. Given that cities are also the areas with the greatest concentrations of people from ethnic minorities, it could be argued that the proportion of people from ethnic minorities should be higher than the national average and that these groups remain under-represented in the sector.

A concern is that an increasing emphasis on qualifications may merely compound the problem of narrow access in that it will simply increase the trend towards a ‘pay to enter’ culture, which is seen to exist in some areas.

Industry action

Consideration is needed on how people from a wider range of backgrounds can be encouraged to enter the sectors. The industry needs to consider a range of issues and options, including:

- examining whether its current careers advice presents a barrier to any young person entering the industries;
- subsidised courses, bursaries etc, to ensure that the drive for more qualifications does not work counter to the need for widening access;
- how to attract those from a diversity of backgrounds. Options could include the use of placements for school leavers and greater industry participation at a pre-16 level.

As we have noted the industry, with the exception of photo-imaging, is increasingly becoming a 'graduate-only' recruiter. All the attention must not be paid purely to new graduates entering the labour market.. Employers need to be encouraged to examine other potential recruitment pools, including women-returners and non-graduates, as the industry needs not only qualifications, but also maturity and good interpersonal skills.

Industry action

The sectors should instigate a programme of research and action to examine what barriers exist that may prevent women returning to work and how these barriers can be minimised.

7.5 Workforce development

New recruits, particularly those who have come straight from the education system (but by no means exclusively these) will generally receive some employer-based training, even if this is informal learning gained by working with experienced staff on real projects. In addition, employers are aware of the changing nature of skill requirements and many do provide training.

There would appear to be considerable scope for increasing and promoting levels of human resource planning within the media and creative sectors. At an overall level it would appear that those that do **not** engage in human resource planning are in the majority, with the general pattern being that it is mainly larger companies who engage in a formal planning of training.

Regardless of the actual level of training provision, there are a number of common themes which appear to hold true across all the sectors, in that employers are more likely to offer their employees training if they:

- are larger: the bigger the employer the more likely that training activity takes place;
- have business and training planning mechanisms in place;
- have an IT and technology base that is relatively sophisticated.

These factors are inter-related: larger companies are more likely to have planning mechanisms in place and are more likely to have invested in sophisticated technology. There are also examples of small companies that have planning processes and provide training. In essence, these small companies are displaying 'big firm' tendencies. Whilst we can identify these positive clusters of attributes, we do not know what leads to them existing and, because of this, how to promote them. However, small firms generally, and particularly those led by 'creatives', are probably unlikely to embrace increased formality and will not respond positively to publicity campaigns, exhortations, etc.

There is a considerable range of training being offered within each of the sectors, with employers offering both highly formalised, often college-based, training alongside less formal on-the-job training. Evidently employers have identified different training routes for different problems.

Industry action

The industries need to consider a programme of work that will encourage small firms to develop their workforce. This may include:

- working with large employers in each of the sectors to 'open up' their training for the benefit of the industry;
- putting in place quality assurance mechanisms. There is some debate about who is to play this role, but it may be something for the new network of Sector Skills Councils to consider;
- work with learning providers to make learning on offer 'small firm friendly' ie bite-sized, cheap, timely and relevant. There may also be substantial scope for more delivery via IT. Provision needs to be responsive to needs and needs to being able to build on informal development.

There is a need to continue the development of partnerships between employers in the sectors, the industry representative bodies (NTOs, SSCs and SFEDI) and other bodies, including the Small Business Service, Business Link and Investors in People UK.

7.6 Emerging skills issues

There are a number of key drivers that will influence the future demand for skills, but the most important of these is the impact of IT, which is affecting all the industries, albeit in different ways. The impact is being felt in two main ways:

- **changing patterns of demand**: customers are changing the ways in which they want products and services delivered, for example:
  - in the past **publishing** was almost exclusively concerned with 'print on paper'. Whilst this is still the main output for the majority of employers in publishing, increasingly the same content, and other original content, is being delivered electronically;
  - the growth of the interactive media sector, possibly enhanced by the roll out of broadband, has the potential to transform television into a genuinely two-way experience. At this stage, it is not clear what form this 'interactivity' will take. For the present it refers to navigation through the variety of channels on offer, but in the future this could take a number of other forms, ranging from the provision of simple pop-up text and additional data to links that take the viewer to specially created mini-sites, websites or to related programmes;
  - the photo-imaging sector is undergoing the biggest revolution since the invention of photography - digital imaging. This rapidly developing new technology is impacting on the traditional methods of capturing and printing images and is affecting all parts of the photography and photographic supply chain, from origination through to production and supply. At the same time, it is apparent that customers are becoming more sophisticated in their purchasing habits and they are more aware of new technology approaches than they were previously. This has led to the need for improved customer service emerging as a priority in the sector to meet these new demands.

- **changing patterns of doing business**: technological change is perhaps the most important driver of skill demand, as it is altering the ways in which companies produce their output.

These factors are having an increased impact on the skills needed within the industries, with demands for these new skill areas to be mapped onto existing skill bases of employees. The need will be for employees to be able to do their jobs to a higher standard, at an ever-increasing rate.

7.7 Managing a small firm, freelance and casualised workforce

As we have seen, the media and creative industries are typified by a few large companies and a large number of small organisations. In addition, the sectors covered have relatively high levels of 'non-traditional' employment patterns, with flexible forms of employment contract often in use in the sector. **Publishing, design** and **audio-visual** employers make wide use of freelance workers. 80 per cent of employers in publishing use freelance workers, mainly in editorial. Of the available workforce in audio-visual, around half are freelance. The issues are the same in the **photo-imaging** sector, whilst the term 'freelance' is not in common use, with self-employed people working for a range of customers and clients on short-term projects.

This industry structure has many advantages. The sector by its nature is highly dynamic and highly entrepreneurial. The challenge is to maintain these characteristics whilst bolstering the skill base in other areas that may not be as strong, particularly management, commercial and customer service skills. There is a need to add on to the creativeness an ability to manage their businesses.

Industry action

The industries need to consider an initiative that encourages small firms to become more involved in workforce development. This should be particularly focussed on managerial and business skills.

The excessive reliance on freelances in some sectors poses another set of problems, as the lack of a firm employment base for so much of the workforce tends to result in a diffusion of responsibility for freelance development. Employers demand ever-higher levels of functional flexibility from their workforce, but do not afford equal priority to the development needs of their freelance workforce.

Industry action

The industries need to consider further the training needs of freelancers. Initiatives may include:

- a promotion campaign which encourages the culture of lifelong learning, which will encourage freelances to invest in their own training;
- subsidies to help with the costs of training;
- discussions with the Department for Education and Skills to reinstate the Individual Learning Account (ILA) initiative, which has the potential to contribute towards skill development for freelancers.

7.8 Involvement in Government initiatives

7.8.1 Developing consistent labour market information

The experience of collecting data for this report has demonstrated the extent to which the data from the different sector bodies is variable, as it had been collected using different methodologies, different questions, different data collection methods, across different time methods, etc. If there is a need to seek to compare data across different sectors there has to be some central guidance and established protocols on appropriate questions, methodologies, possibly even recommended fieldwork contractors, etc. This should be a role for a central body to give strong central guidance on what information is needed and how it should be collected.

A way of overcoming these variations in sector-based information is the use of national, but to the extent to which this has been possible has also been limited because sample sizes from ESS are not big enough to allow a sensible disaggregation of data. Data is frequently only available for some and not all of the sectors, which leads to an unbalanced coverage. If data from two or more sectors are to be combined then this has to be a valid combination: conflating publishing and printing actually creates more confusion than it solves because workforces of two sectors are very different. Aggregating such data just hides the issues rather than illuminating them

Some of these issues are outside a scope of Skills Dialogues, but highlights needs for Government action on:

- a stronger central research role to give guidance and lay down protocols for individual sector-bodies when they are undertaking research;
- redefining SIC codes to take account of trends in industry and especially the growth of ‘knowledge and content creation’ sectors. This is to include audio-visual, design, publishing and software/IT, probably photo-imaging, but not printing. This issue already raised with DTi by Publishing NTO, but probably also needs DfES to act;
- a greater emphasis to be placed on the national research and its analysis on the sectoral axis. Currently it seems that a much greater emphasis, and from this quality and robustness of data, is placed on a geographic axis than a sectoral one.

7.8.2 Experience of existing initiatives

Investors in People

Evidence suggests that in some of the sectors awareness of **Investors in People** is high amongst employers, although this varies across the piece. The key issue is to generate further understanding and from this involvement.

There are some concerns that it is difficult for micro businesses to involve themselves with Investors in People. Small companies tend to operate on a relatively informal basis, which does not always sit easily with the systematic and formal approach required to meet the Investors in People award.

Industry action

The NTOs and SSCs need to form (or re-form) relationships with Investors in People UK to further promote the IiP initiative in their sectors. Particular points that need focussing on are:

- developing greater understanding of how the Standard works and the benefits that it may bring. Any new campaign needs to move beyond simple awareness;
- breaking down elements of the Standard into bite-sized pieces to attract small companies. It may be particularly appropriate to develop and offer stand-alone elements, for example, a business planning module or a training needs analysis module.

National Occupational Standards and National Vocational Qualifications

National Occupational Standards and (to a lesser extent) NVQs/SVQs are available in nearly all the sectors covered. Reactions to NVQs have been mixed. Levels of take-up in photo-imaging and printing are seen as encouraging, whilst in publishing take-up has been far lower. Within the audio-visual industry, take-up has been high in areas such as lighting and camera, but lower in new or emerging areas such as interactive media. However, it has to be recognised that the 'brand name' of NVQs may have been irreparably damaged and to promote these successfully a re-naming and marketing exercise may be required. It is known that the existing National Occupational Standards are used by the larger organisations for purposes other than the award of the qualification. Many use the Standards as the basis for in-company training and appraisal.

Funding is a key issue: further education only pays for whole qualifications, when 'mix-and-match' units from a menu may be more appropriate, with modules being built up to complete a whole qualification, possibly over a period of time. Funding should be by unit.

Industry action

The role of National Occupational Standards and the NVQs/SVQs based on them requires a major review. At the moment in time NVQs suffer from a poor reputation and the unwieldiness of their delivery is proving a handicap.

Details of any action must await the outcomes of such a review, but initial views are that:

- accreditation must be available at a unit or module level, not full qualification;
- funding must follow the accreditation and be available at unit or module level
- the assessment and verification process must be simplified.

Following this a new marketing initiative may be required, part of which may be the need for a new branding exercise.

Modern Apprenticeships
The print sector has been in the forefront of the drive to increase the number of young people achieving **Modern Apprenticeships**. Between 1995 and 2000 a total of 3,089 registered on Advanced Modern Apprenticeships in England and Wales. Foundation Modern Apprenticeships were less popular. In terms of employer involvement, 21 per cent of employers are currently involved and a further 15 per cent plan to do so over the next 12 months. The take-up in other sectors has been limited to date.

7.8.3 New working arrangements: Sector Skills Councils

It is important that the new arrangements for **Sector Skills Councils** (SSCs) are established as promptly as possible. There needs to be a coherent voice for each of the sectors that can articulate skill needs. The continuing delay and confusion is damaging employer commitment.

The exact role of the SSCs is yet to be determined but it is important to note that:

- the SSCs will have a far wider role in engaging in the Government agenda than NTOs, although existing initiatives will form part of its portfolio;
- it can be argued that a number of the initiatives mentioned in this report are not best suited to the needs of employers in particular sectors and that attempts to 'shoehorn' them in regardless are counterproductive. A debate needs to take place over which initiatives are appropriate and which are not, and delivery plans made on this basis;
- there may be a case for developing Graduate Apprenticeships, although it could be argued that the industry should be developing 'Entry Apprenticeships', which should not be age or qualification-related;
- there will be a need for the SSCs to develop high quality labour market information that will address many of the issues that have emerged during this report.

Because the workforce tends to be high-level occupations and relatively highly skilled, much of the action needed does not align closely with the main thrust of the Government agenda, and the LSC targets for basic skills and Level 3 qualifications. SSCs and LSCs need to work together to develop sector specific targets that can be worked on jointly.

It is evident that much of the action identified in this report lends itself to being SSC led. Sector differences emphasise the need for organisations that have both the capacity and focus to make a real difference to specific industries.

ANNEX 1

Skills Dialogue National Seminar: Media and Creative Industries

Geoff Allman	Managing Director	"Spoken" Image Ltd
Jane Baker	Director of Arts Division	City of Westminster College
Roger Battersbee	Assistant Chief Executive	Design Business Association
Richard Beamish	Chief Executive	Print and Graphic Communication NTO
Jude Belsham	Research & Policy Analyst	London Central Learning & Skills Council
Andrew Brown	Director - Industry Competitiveness	British Printing Industries Federation (BPIF)
Brian Burgess	Owner	Selborne Consultancy
Joanne Butcher	Chief Executive	Publishing NTO
Mary Conneely	Executive Director	London East Learning & Skills Council
Julie Cook	Project Manager	Department for Education & Skills
John Davies		Edexcel
Cherry Ehrlich	Manager - BBC Trainees	BBC
Riva Elliott	Marketing Director	PMA Training
Francis Fitzgerald	Graphics/Multimedia Programme Leader	Cleveland College of Art and Design
Dawn Fleming	Skills & Workforce Development	London Central Learning & Skills Council
Julie Fletcher	Development Advisor	BBC
Neil Flintham	Research Manager	Skillset
Jane Foston	Training Manager	London Weekend Television (LWT)
Paul Gallagher	Senior Skills & Employment Manager	London Development Agency
Nanette Gibb	Human Resources Director	The National Magazine Company
Kevin Gibbons	Member Education Committee	Institute of Printing
Victoria Gill	Project Manager	Publishing NTO
Joy Hammond	Sector Liaison Executive	Hertfordshire Learning & Skills Council
Bill Hart	Consultant	SFEDI
Nigel Hudson	Research Manager	SFEDI

Ken I'Anson	Economic Development Manager	Norfolk Learning & Skills Council
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