

# Level 2 National Vocational Qualifications: the characteristics of those who obtain them, and their impact on employment and earnings growth

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## Summary of key findings

### Introduction

The Department for Education and Skills commissioned the Office for National Statistics (ONS) to carry out a follow-up study of people who had participated in the Labour Force Survey (LFS). The sample for the follow-up survey comprised all those in the wave 1 LFS sample from March 2001 to February 2003 who could be identified from their first or final LFS interview as having a Level 2 NVQ.

Follow-up interviews with 2,216 respondents who met the sample criteria were carried out between December 2004 and February 2005.

### The path to learning

Just over three fifths of those with a Level 2 NVQ were women 62%. The average age at acquisition was 32. Overall, 73% of those surveyed were working at the time they obtained their Level 2 NVQ: 22% of these respondents said that their employer had required them to study for the qualification, and 81% thought the NVQ was relevant to the job they had at the time. Employers were reported to have provided funding for 65% of those working when they studied for their NVQ – one half of all those taking a Level 2 NVQ.

The most commonly given reasons for gaining an NVQ were to improve work-related skills (62%), to prepare for further study (28%) and to adapt to new technology (22%).

### The NVQ Level 2 course

The length of time people take to complete an NVQ Level 2 qualification varies quite considerably. Just over one in ten, 12%, reported completing their Level 2 NVQ in less than 6 months. A further 22% took between six months and a year, and 44% took between one and two years to achieve the qualification. Only 4% took three years or more. Nearly everybody (94%) had spent at least one day a week studying or training towards their Level 2 NVQ.

One in four respondents had acquired other qualifications since their Level 2 NVQ, and around one person in six (17%) was studying towards a further qualification at the time of the follow-up survey interview.

### The effect on employment of obtaining a Level 2 NVQ

Overall, 40% of respondents were in a different job at the follow-up survey interview from the one they had when they acquired their Level 2 NVQ. One quarter of the sample had stayed in the same job: half of this group said that the NVQ made a difference to the way they did their work, and 29% said that they were given more responsibility.

Among those who had tried to find or change jobs since acquisition, 60% thought that the qualification had made a difference when they were looking for work. Among those working at the time of acquisition, similar proportions gave the three most common reasons given for changing jobs: to obtain better pay (24%), to seek more interesting work (23%), and to improve career prospects (22%).

Just over one third of all respondents (36%) reported that their Level 2 NVQ had been helpful in getting better pay, and 35% of respondents who had been in work at some point since acquiring their Level 2 NVQ said that their qualification had given them greater job security. More than half of those interviewed thought the NVQ had given them skills that were useful outside work, that it had given them confidence when seeking work, and encouraged them towards further study.



### **Impact of NVQ level 2 on earnings growth**

Although some respondents felt that the NVQ had been useful in getting them better pay, there is little evidence that obtaining a NVQ level 2 qualification is associated with a statistically significant increase in earnings compared with employees with other qualifications. There is, however, some limited evidence that those obtaining a Level 2 NVQ may be rewarded by their employers with an immediate pay increase. Account was taken of a range of variables that might be thought likely to have an impact on earnings growth, but this failed to find any factors that could explain much of the variation.

# 1 Background and sampling

## 1.1 Background

The government's Skills Strategy is set out in two White Papers:

- *21st Century Skills: Realising Our Potential* (2003). and
- *Skills: Getting on in business, getting on at work* (2005).

These recognised that the UK has a persistently poorer skills profile and productivity performance than some key competitor countries - analysis suggests that up to a fifth of the "productivity gap" with competitors is explained by our relatively poor skills, particularly at intermediate levels (ie around Level 2 and Level 3 qualifications);

The Skills Strategy gives a high (though not exclusive) focus for public subsidy to tackle the relatively large proportion of adults with basic literacy and numeracy problems and with low skills (defined as lacking a first, full Level 2 qualification). The Level 2 NVQ is recognised as a platform for employability and progression to higher skill levels.

It is thought that, currently, the benefits to individuals and employers from most Level 2 qualifications are not sufficient to incentivise private investment: this is part of the case for public subsidy, although reforming and improving the qualifications is another important strand of the Skills Strategy.

The Department for Education and Skills commissioned the Office for National Statistics (ONS) to carry out a follow-up study of people who had participated in the Labour Force Survey (LFS) and who had gained a Level 2 qualification in adult life.

The aims of the research were

- to provide information on the perceived benefits of a Level 2 NVQ;
- to learn about the experience of Level 2 NVQ acquisition;
- to learn about the background and motivations of people obtaining Level 2 NVQs;
- to relate these factors to the impact of the qualification.

## 1.2 Sampling strategy

The sampling strategy was to identify respondents with relevant characteristics who had been interviewed on the Labour Force Survey (LFS).

### **The Labour Force Survey sample**

The Labour Force Survey (LFS) is a quarterly sample survey of households living at private addresses in Great Britain. Its purpose is to provide information on the UK labour market that can be used to develop, manage, evaluate and report on labour market policies.

The LFS is based on a systematic random sample design which makes it representative of the whole of Great Britain. Each quarter's LFS sample of 60,000 private households is made up of 5 'waves', each of approximately 12,000 households. Each wave is interviewed in 5 successive quarters, such that in any one quarter, one wave will be receiving their first interview, one wave their second, and so on, with one wave receiving their fifth and final interview. Households are interviewed face-to-face when first included in the survey, and by telephone thereafter.

### **Sample design of the follow-up survey**

The sample for the survey comprised all those in the wave 1 LFS sample from March 2001 to February 2003 who could be identified from their first or final interview as having a Level 2 NVQ. Their characteristics were as follows:

- 3860 people were recorded as having a Level 2 NVQ and were interviewed at both wave one and wave five of the LFS<sup>1</sup>.
- 366 people were recorded as having a Level 2 NVQ but were only interviewed *either* at wave one *or* at wave five of the LFS.

In total, the follow-up study sample issued consisted of 4226 adults.

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<sup>1</sup> includes some people who acquired their Level 2 between waves 1 and 5, and people who had a Level 2 at wave 1 and gained a higher level by wave 5.

## 2 Fieldwork and achieved sample

### 2.1 The interview

#### The questionnaire

The survey questionnaire was drawn up in consultation with the Department for Education and Skills (DfES), and included the following topics:

- the Level 2 NVQ, including number, subject, and when acquired, and mode of learning, along with other information such as who initiated and paid for the training;
- employment status and employment details at the time of acquiring the Level 2 NVQ<sup>2</sup>;
- qualifications obtained since the Level 2 NVQ and also those obtained since the LFS interview;
- current employment;
- work history after acquisition of the Level 2 NVQ, including details of the first job acquired;
- whether the NVQ made a difference, i.e. ways in which it contributed to employment and job security, changing jobs, status, pay etc;
- current education and training;
- perceptions of current situation, and future intentions, in particular with regards to employment and future learning;
- general views on the Level 2 NVQ qualification.

#### Fieldwork

Interviewing was carried out by trained ONS interviewers over a ten-week period from December 2004 to mid-February 2005. Advance letters explaining the follow-up survey were sent to the sampled individuals.

Since the LFS sample is unclustered, face-to-face interviews would have been expensive, involving a great deal of travelling between addresses. Most interviewing was therefore done by telephone, and a face-to-face interview attempted only where no telephone number was available. The ten-week field period allowed the cost of the face-to-face interviews to be minimised by scheduling them as far as possible around other survey work. The interview length averaged 15 minutes.

### 2.2 Response

#### Response rates

In recent years the response rate at wave 1 of the LFS has been in the region of 71%-75%, and after five waves, about 55%. The target response rate for the follow-up survey was set at 50%, as it was thought likely that response rates would be relatively low, due to

- the prior participation in the LFS (a series of five interviews);
- the younger than average age of the study group, which would make them harder than average to contact;

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<sup>2</sup> where more than one Level 2 NVQ had been obtained, this related to the earliest acquired.

- the length of time since last contact (between 1 and 3 years) would also lead to a higher than average number of non-contacts.

The achieved response rate for the follow-up stage turned out to be slightly better than expected, with an overall response rate of 52%, giving 2,216 interviews with respondents who met the sample criteria. The response rate was similar for face to face and telephone interviews. However, it should be noted that the overall response rate, combining both the LFS and the follow-up, was no more than about 30-40%, and this should be borne in mind when interpreting the results.

### **Response bias**

Since this was a follow-up survey, it is possible to compare LFS data for responders and non-responders. Comparison of the achieved sample with the set sample on a number of key background variables showed similar distributions. For example men made up 38% of the set sample, and 39% of the achieved sample. There was a difference in average age: that of people in the set sample was 35 while that of survey responders was 37 years of age, but this is largely due to the passage of time between the two surveys.

Various measures of change in employment and earnings based on changes in circumstances between waves 1 and 5 of the LFS showed no statistically significant differences between follow-up responders and non-responders. Thus there is little evidence of response bias in variables relevant to the aims of the survey.

## 3 The path to learning

### 3.1 The Level 2 NVQ

Almost three fifths (59%) of those interviewed reported that their earliest (or only) reported Level 2 NVQ was obtained more than five years before. Only 2% were obtained within the previous year, but this is mainly because for most respondents, more than one year had elapsed since the Wave 5 LFS interview, and they could not have obtained their first Level 2 NVQ within the last year. For those with more than one Level 2 NVQ, however, 19% of the most recent qualifications were obtained within the 12 months prior to the NVQ survey. (Table 3.1)

Each Level 2 NVQ was coded into one of twelve major subject areas. In this report, data are shown separately for nine categories: the 'other subject areas' category includes the 41 cases that were in the remaining three areas<sup>3</sup>, and 11 cases where although the qualification appeared to be an NVQ, it was not possible to assign a subject code. Table 3.2 shows the number of people with their earliest (or only) Level 2 NVQ in each subject area in the achieved sample.

Throughout this report, except where specified, the Level 2 NVQ referred to is the earliest acquired Level 2 NVQ, if the respondent had more than one.

### 3.2 Characteristics of those with Level 2 NVQs

#### Personal characteristics

Just over three fifths of those with a Level 2 NVQ were women (62%), and, not surprisingly, the proportion varied considerably by subject area. For example, 94% of those with a Level 2 NVQ in construction were men, but only 4% of those with a Level 2 in hairdressing and beauty therapy. (Table 3.3)

The respondent's age at the time of gaining the Level 2 NVQ was estimated using current age together with when the qualification was obtained, and in some cases the ages are estimates, because the respondent could remember the year, but not the month of acquisition. The average age was 32 (30 for men, 33 for women), and the highest was 67. Just over one quarter, 26%, had acquired their Level 2 before they were 20, while 18% acquired the NVQ after age 45. (Table 3.4)

As might be expected, the age at acquisition also varied considerably by subject area. Almost one half (48%) of those obtaining a Level 2 NVQ in hairdressing and beauty therapy were under 20 years of age, but the comparable proportion for those in health, social care and public services was much lower, at 15%. (Table 3.5)

#### Employment circumstances

Overall, 73% of those surveyed were working at the time they obtained their Level 2 NVQ, but the proportion varied according to the subject area of study, from 38% of those who had studied information and communication technology to 94% of those obtaining a Level 2 in retailing, customer services and transportation. (Table 3.6) Nearly all (96%) people working at the time they obtained their Level 2 were employees. Self-employment was relatively more common among those with NVQs in construction, land-based provision, and hairdressing and beauty therapy. (Table 3.7)

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<sup>3</sup> science and mathematics, visual and performing arts and media, and humanities

### **Qualifications obtained before the first Level 2 NVQ**

Information about qualifications had already been collected in the LFS interviews. During the follow-up interview, therefore, people were asked only about more recent qualifications. Combining this information, it was found that 55% had obtained qualifications before studying for their first Level 2 NVQ. The proportion with prior qualifications varied with age of acquisition, being highest, at 60% among those aged under 25 when they obtained their NVQ. (Table 3.8)

The range of previous qualifications held was wide (Table 3.9). The qualifications most commonly already held by people when obtaining a Level 2 NVQ were GCSEs (27%) and O level or equivalent (17%).

Although the likelihood of having a prior qualification did not vary greatly by subject area of the Level 2, ranging between 42% and 60%, the distribution of the most commonly held prior qualifications did differ. For example, 23% of those with a Level 2 NVQ in retailing, customer service and transportation had O levels compared with only 6% of those in hairdressing and beauty therapy. However, these differences are largely accounted for by the different age profiles of those studying the various subjects: it was shown earlier that those with an NVQ in hairdressing were on average younger than other respondents, and therefore less likely to have taken O levels, which were replaced by GCSEs in 1988.

One quarter of those with a Level 2 NVQ in engineering had previously obtained a City & Guilds qualification, and a similar proportion of those with a Level 2 in business administration had obtained an RSA qualification.

## **3.3 Circumstances in which the qualification was undertaken**

### **Relevance of the NVQ to the job held at the time**

Respondents who were working when they obtained their Level 2 NVQ were asked whether they thought it was relevant to the job they had at the time, and 81% said that it was. Although assessment of the relevance or compatibility of a qualification to a job is not straightforward, inspection of respondents' descriptions of the job held at the time of acquisition (no table shown) suggested that among the 20% who said that their Level 2 NVQ was not relevant to their job:

- in just over one half the cases, the Level 2 was in a subject which did appear relevant to the job they held at the time (although some of these were in an IT-related subject which could equally have been compatible with a different job)
- in just under one half the cases, the Level 2 was in a subject which was clearly not related to the job they held at the time: these may in some cases have been taken in support of non-work leisure pursuits, such as sports coaching.

Thus while one in five working respondents did not feel that their Level 2 NVQ was relevant to the job they had at the time, fewer than half of this group appear to have been obtaining a Level 2 to support a change in occupation.

Table 3.10 shows that the perceived relevance of the NVQ was related to the subject area. For most subject areas fewer than one quarter reported their Level 2 as not relevant, but for information technology and hairdressing the proportions were higher, at 34% and 37% respectively. The high figure for hairdressing is accounted for almost exclusively by probable career changers (only two out of 40 of those who thought the hairdressing NVQ irrelevant were actually working in the field).

Most of the hospitality, sport and leisure NVQs thought not to be relevant to the respondent's job were in sports-related subjects and may reflect involvement in coaching or participation in sports

on a voluntary basis rather than an interest in changing career, and the desire to acquire non-work related skills may of course also be true for other subject areas.

### **Reasons for undertaking a Level 2 NVQ**

Among those working when they acquired their NVQ, 22% said that their employer had required them to study for the qualification: the proportion who said this was particularly high, at 34%, among those who took an NVQ in an engineering subject. (Table 3.11) Among those not currently working, 45% said it was to help them return to work after an absence. (Table 3.12)

Respondents were asked why they had undertaken NVQ training and many gave more than one of a variety of reasons. The most commonly given reasons were to improve work-related skills (62%), to prepare for further study (28%) and to adapt to new technology (22%). (Table 3.13)

Not surprisingly, the wish to adapt to new technology was most likely to be reported as a reason for acquiring a Level 2 NVQ in information technology (cited by 50% of people with this qualification, compared with 30% or fewer for other subject areas). The proportions giving 'preparing for higher study' as a reason were highest, at 39%, for those with an NVQ in health, social care and public services.

The proportion of people who gave improving work-related skills as a reason for their Level 2 NVQ ranged from 70-80%, for most subject areas of qualification, but for those studying information technology and hairdressing, the figures were lower, (35% and 42% respectively), which is consistent with the lower levels of perceived relevance of their NVQ as reported earlier.

## **3.4 Where training was undertaken, and how it was funded**

### **Mode of learning**

NVQs can be studied for in a variety of ways. A third (35%) of Level 2 NVQs were acquired through college based training, a third (34%) through workplace based training, 27% through a combination of the two, and in the remaining small number of cases, through other means, such as self-directed or open learning, or on a government scheme. As would be expected, the proportions varied substantially by employment status. (Table 3.14)

There was also considerable variation in mode of study by subject area. Almost three-quarters, 73%, of those with Level 2 NVQs in Information and communication technology had been exclusively college based and only 6% workplace based, while by contrast, only 8% of those in retailing, customer service and transportation were wholly college based, but 74% were entirely workplace based. Level 2 NVQs in land-based provision, construction, hairdressing, and health and social care were the most likely to have been obtained through a combination of college and workplace learning (around one third for each subject area). (Tables 3.15, 3.16)

Of those reporting some workplace learning, 64% reported that training was given by people from the companies they worked in, and 4% said that the training involved placements with companies they were not employed by. People coming into the workplace from colleges and specialist training companies were involved in workplace training for 29% and 26% of respondents respectively. A number of other trainers were mentioned by small numbers of respondents, including representatives of trade or professional bodies, and employees of umbrella organisations, such as health authorities. (Table 3.17)

### **Funding**

Level 2 NVQs were funded in a variety of ways. Employers were reported to have provided funding for 65% of those working when they studied for their NVQ – one half of all those taking a Level 2 NVQ. A third of all respondents (33%) had obtained funding from government training



bodies or local authorities, and in 10% of cases, the funding came from the person studying or their family. (Tables 3.18, 3.19)

**Table 3.1 Length of time since obtaining Level 2 NVQ**

<i>All with Level 2 NVQ</i>				
Time since obtained L2 NVQ	Those with one L2 NVQ only	Those with more than one L2 NVQ		All respondents
		Time since obtained first	Time since obtained most recent	
	%	%	%	
Less than 1 year	2	1	19	2
1 year but less than 2 years	6	4	22	6
2 years but less than 5 years	33	31	38	33
5 years or more	58	64	31	59
<i>Base = 100%</i>	<i>1974</i>	<i>181</i>	<i>185</i>	<i>2155</i>

**Table 3.2 Subject area of Level 2 NVQ**

<i>All with Level 2 NVQ</i>			
Subject area of (earliest) Level 2 NVQ	Men	Women	Total
	%	%	%
Land-based provision	4	3	4
Construction	18	1	7
Engineering, technology and manufacturing	23	3	11
Business administration, management and professional	10	22	18
Information and communication technology	11	6	7
Retailing, customer service and transportation	12	13	13
Hospitality, sports, leisure and travel	11	8	9
Hairdressing and beauty therapy	1	10	6
Health, social care and public services	6	33	23
Other subject areas*	3	2	2
<i>Base = 100%</i>	<i>838</i>	<i>1378</i>	<i>2216</i>

\* Science and mathematics; visual and performing arts and media; humanities

**Table 3.3 Gender by subject area of Level 2 NVQ held**

<i>All with Level 2 NVQ</i>				
Subject area of (earliest) Level 2 NVQ		Men	Women	Base=100%
Land-based provision	%	47	53	79
Construction	%	94	6	160
Engineering, technology and manufacturing	%	83	17	235
Business administration, management and professional	%	22	78	390
Information and communication technology	%	54	46	164
Retailing, customer service and transportation	%	35	65	279
Hospitality, sports, leisure and travel	%	46	54	210
Hairdressing and beauty therapy	%	4	96	141
Health, social care and public services	%	11	89	506
Other subject areas	%	56	44	52
All subjects	%	38	62	2216

**Table 3.4 Age when Level 2 NVQ was obtained, by gender**

<i>All with Level 2 NVQ</i>			
Age at acquisition	Men	Women	All persons
	%	%	%
under 20	29	26	27
20-24	17	11	13
25-34	19	19	19
35-44	19	24	22
45 or over	16	20	19
Average age	29	31	31
<i>Base=100%</i>	838	1378	2216

**Table 3.5 Age when Level 2 NVQ was acquired, by subject area**

*All with Level 2 NVQ*

Subject area of (earliest) Level 2 NVQ		Age when Level 2 NVQ was acquired					Base =100%
		Under 20	20-24	25-34	35-44	45 or over	
Land-based provision	%	25	16	13	29	16	79
Construction	%	29	23	22	14	13	160
Engineering, technology and manufacturing	%	32	13	15	23	16	235
Business administration, management and professional	%	37	17	17	16	12	390
Information and communication technology	%	18	8	24	27	23	164
Retailing, customer service and transportation	%	22	16	21	19	22	279
Hospitality, sports, leisure and travel	%	35	16	13	20	15	210
Hairdressing and beauty therapy	%	48	12	20	16	4	141
Health, social care and public services	%	15	7	20	30	28	506
Other subject areas	%	21	15	25	17	21	52
All subjects	%	27	13	19	22	19	2216

**Table 3.6 Whether working at time of acquisition of Level 2 NVQ by subject area**

*All with Level 2 NVQ*

Subject area of (earliest) Level 2 NVQ		Working at time of acquisition	Base =100%
Land-based provision	%	62	79
Construction	%	62	159
Engineering, technology and manufacturing	%	84	235
Business administration, management and	%	55	389
Information and communication technology	%	38	164
Retailing, customer service and transportation	%	94	279
Hospitality, sports, leisure and travel	%	81	210
Hairdressing and beauty therapy	%	67	141
Health, social care and public services	%	87	506
Other subject areas	%	73	52
All subjects	%	73	2214

**Table 3.7 Whether employee or self-employed at time of acquisition of Level 2 NVQ by subject area**

<i>All who were working when they acquired their NVQ</i>					
Subject area of (earliest) Level 2 NVQ	Percentage of those working who were			<i>Base =100%</i>	
	Employee	Self-employed	On a govt scheme		
Land-based provision	%	92	8	0	49
Construction	%	90	9	1	98
Engineering, technology and manufacturing	%	99	1	0	196
Business administration, management and professional	%	92	1	7	215
Information and communication technology	%	98	2	0	62
Retailing, customer service and transportation	%	98	0	2	262
Hospitality, sports, leisure and travel	%	98	1	1	170
Hairdressing and beauty therapy	%	88	9	3	94
Health, social care and public services	%	98	1	1	442
Other subject areas	%	97	3	0	38
All subjects	%	96	2	2	1626

**Table 3.8 Whether had qualifications before acquisition of Level 2 by age at acquisition**

<i>All with Level 2 NVQ</i>				
Age at acquisition		Had prior qualifications	Had no prior qualifications	<i>Base =100%</i>
Under 25	%	60	40	838
25-44	%	56	44	922
45 and over	%	44	56	393
All ages	%	55	45	2153

**Table 3.9 Prior qualifications by subject area of level 2 NVQ held**

*All with Level 2 NVQ*

Subject area of (earliest) Level 2 NVQ		Prior qualifications*							Any qualification	Base =100%
		A level	O level	GCSE	CSE	RSA/OCR	City & Guilds	Other quals		
Land-based provision	%	9	10	25	11	1	8	14	42	79
Construction	%	4	11	28	5	2	15	10	47	160
Engineering, technology and manufacturing	%	3	14	27	15	2	25	12	55	235
Business administration, management and professional	%	8	16	36	10	24	8	14	59	390
Information and communication technology	%	16	24	19	12	15	14	16	56	164
Retailing, customer service and transportation	%	10	23	28	17	8	8	13	60	279
Hospitality, sports, leisure and travel	%	10	16	33	11	5	15	9	59	210
Hairdressing and beauty therapy	%	4	6	28	10	4	10	5	43	141
Health, social care and public services	%	7	21	19	20	7	10	11	56	506
Other subject areas	%	19	25	23	15	10	23	21	60	52
All subjects	%	8	17	27	14	9	13	12	55	2216

\* Note that respondents could have more than one type of qualification

**Table 3.9 Prior qualifications by subject area of level 2 NVQ held**

*All with Level 2 NVQ*

Subject area of (earliest) Level 2 NVQ		Prior qualifications*							Any qualification	Base =100%
		A level	O level	GCSE	CSE	RSA/OCR	City & Guilds	Other quals		
Land-based provision	%	9	10	25	11	1	8	14	42	79
Construction	%	4	11	28	5	2	15	10	47	160
Engineering, technology and manufacturing	%	3	14	27	15	2	25	12	55	235
Business administration, management and professional	%	8	16	36	10	24	8	14	59	390
Information and communication technology	%	16	24	19	12	15	14	16	56	164
Retailing, customer service and transportation	%	10	23	28	17	8	8	13	60	279
Hospitality, sports, leisure and travel	%	10	16	33	11	5	15	9	59	210
Hairdressing and beauty therapy	%	4	6	28	10	4	10	5	43	141
Health, social care and public services	%	7	21	19	20	7	10	11	56	506
Other subject areas	%	19	25	23	15	10	23	21	60	52
All subjects	%	8	17	27	14	9	13	12	55	2216

\* Note that respondents could have more than one type of qualification

**Table 3.11 Whether employer gave respondent a choice about doing an NVQ, by subject area**

*All who were working when they acquired their NVQ*

Subject area of (earliest) Level 2 NVQ	Whether employer gave respondent a choice		Base = 100%	
	Yes	No		
Land-based provision	%	86	14	49
Construction	%	60	40	98
Engineering, technology and manufacturing	%	66	34	196
Business administration, management and professional	%	87	13	215
Information and communication technology	%	85	15	62
Retailing, customer service and transportation	%	83	17	262
Hospitality, sports, leisure and travel	%	85	15	169
Hairdressing and beauty therapy	%	82	18	94
Health, social care and public services	%	76	24	441
Other subject areas	%	76	24	38
All subjects	%	78	22	1624

**Table 3.12 Reasons for taking Level 2 NVQ by employment status at time of acquisition\***

*All with Level 2 NVQ*

Reported reasons for taking Level 2 NVQ	Working	Not working	All persons
	%	%	%
To improve work-related skills	74	30	62
To prepare for further study	29	23	28
To adapt to new technology	20	30	22
To prepare to return to work after an absence	4	45	14
To obtain a promotion	14	1	11
Other reasons	18	21	19
<i>Base=100%</i>	<i>1627</i>	<i>586</i>	<i>2214</i>

\* Percentages add to more than 100 as respondents could give more than one reason.

**Table 3.13 Reasons for obtaining NVQ by subject area of study\****All with Level 2 NVQ*

Subject area of (earliest) Level 2 NVQ	Reason for obtaining NVQ					Base = 100%	
	To improve work skills	To prepare for further study	To adapt to new technology	To prepare to return to work	To obtain promotion		
Land-based provision	%	53	20	15	16	6	79
Construction	%	69	26	26	18	12	160
Engineering, technology and manufacturing	%	67	26	20	7	9	235
Business administration, management and professional	%	51	27	30	29	8	390
Information and communication technology	%	35	25	49	31	5	164
Retailing, customer service and transportation	%	81	19	10	6	14	279
Hospitality, sports, leisure and travel	%	63	27	16	6	14	210
Hairdressing and beauty therapy	%	42	24	26	18	9	141
Health, social care and public services	%	73	37	17	8	13	506
Other subject areas	%	58	25	17	6	12	52
All subjects	%	62	27	22	14	11	2216

\* Percentages add to more than 100 as respondents could give more than one reason.



**Table 3.14 Mode of study by age and employment status at time of acquisition**

*All with Level 2 NVQ*

Age and employment status at time of acquisition	Mode of study				Other / don't know	Base =100%
	Solely college based	Solely workplace based	Combined college and workplace			
<b>Under 25</b>						
Working	%	24	30	44	1	610
Not working	%	79	2	12	7	224
All	%	39	23	36	3	834
<b>25 and over</b>						
Working	%	19	54	25	2	970
Not working	%	73	2	11	14	345
All	%	33	40	21	5	1315
<b>All persons*</b>						
Working	%	21	45	32	2	1625
Not working	%	75	2	11	12	586
All	%	35	34	27	5	2211

\* includes those for whom age at acquisition could not be estimated

**Table 3.15 Mode of study by subject area of Level 2 NVQ**

*All with Level 2 NVQ*

Subject area of (earliest) Level 2 NVQ		Solely college based	Solely workplace based	Combined college and workplace	Other/ don't know	Base =100%
Land-based provision	%	46	16	34	4	79
Construction	%	46	15	32	7	159
Engineering, technology and manufacturing	%	24	47	25	4	234
Business administration, management and professional	%	51	16	26	6	389
Information and communication technology	%	73	6	12	9	164
Retailing, customer service and transportation	%	8	74	16	3	279
Hospitality, sports, leisure and travel	%	35	35	23	7	209
Hairdressing and beauty therapy	%	64	3	32	1	141
Health, social care and public services	%	18	43	36	2	506
Other subject areas	%	37	40	17	6	52
All subjects	%	35	34	27	5	2212

**Table 3.16 Mode of study by subject area of Level 2 NVQ**

*All who were working when they acquired their NVQ*

Subject area of (earliest) Level 2 NVQ		Solely college based	Solely workplace based	Combined college and workplace	Other / don't know	Base
Land-based provision	%	35	22	43	0	49
Construction	%	24	23	50	2	98
Engineering, technology and manufacturing	%	14	56	29	2	196
Business administration, management and professional	%	33	28	36	3	215
Information and communication technology	%	60	15	26	0	62
Retailing, customer service and transportation	%	5	78	16	1	262
Hospitality, sports, leisure and travel	%	27	43	25	6	169
Hairdressing and beauty therapy	%	51	4	43	2	94
Health, social care and public services	%	12	49	38	1	442
Other subject areas	%	18	55	24	3	38
All subjects	%	21	45	32	2	1625

**Table 3.17 Types of workplace learning\****All whose NVQ was wholly or partly work-based*

Types of workplace learning	
	%
Instruction by others from the respondent's company	64
College trainers coming in to the respondent's company	29
Work placement with another company	4
Instruction from a training company	26
<i>Base=100%</i>	<i>1285</i>

\* Percentages add to more than 100 as some respondents received more than one type of workplace learning

**Table 3.18 Sources of funding, by whether working at time of acquisition***All with Level 2 NVQ*

Subject area of (earliest) Level 2 NVQ		Employer	Government or LA	Respondent	Other	<i>Base=</i> <i>100%</i>
Land-based provision	%	33	37	23	8	79
Construction	%	38	44	8	9	160
Engineering, technology and manufacturing	%	70	24	5	1	235
Business administration, management and professional	%	30	50	8	12	390
Information and communication technology	%	12	59	17	12	164
Retailing, customer service and transportation	%	76	18	1	6	279
Hospitality, sports, leisure and travel	%	44	27	17	12	210
Hairdressing and beauty therapy	%	16	43	30	11	141
Health, social care and public services	%	66	21	8	5	506
Other subject areas	%	52	31	6	12	52
All subjects	%	49	33	10	8	2216

**Table 3.19 Whether was funded by employer at time of acquisition***All who were working when they acquired their NVQ*

Subject area of (earliest) Level 2 NVQ	Whether funded by employer		Base =100%
	Yes	No	
Land-based provision	%	51	49
Construction	%	62	38
Engineering, technology and manufacturing	%	81	19
Business administration, management and professional	%	53	47
Information and communication technology	%	29	71
Retailing, customer service and transportation	%	81	19
Hospitality, sports, leisure and travel	%	54	46
Hairdressing and beauty therapy	%	22	78
Health, social care and public services	%	76	24
Other subject areas	%	68	32
All subjects	%	65	35

## **4 The NVQ Level 2 course**

### **4.1 Features of the training**

#### **Course length**

The length of time people take to complete an NVQ Level 2 qualification varies quite considerably. Just over one in ten, 12%, reported completing their Level 2 NVQ in less than 6 months. A further 22% took between six months and a year, and 44% took between one and two years to study for the qualification. Only 4% took three years or more. (Table 4.1)

There was little difference in the average length of the course for those working or not working, but courses that were based in a combination of the workplace and a college were less likely to be short than were those that were solely college-based or workplace-based. (Table 4.2)

There was rather more difference in relation to the subject area studied: for example, one quarter of course in information technology had lasted for less than six months, compared with fewer than 5% of those in land-based provision or hairdressing. (Table 4.3)

#### **Intensity of study**

Nearly everybody (94%) had spent at least one day a week studying or training towards their Level 2 NVQ. Around a third, 35%, spent a day or day and a half, slightly fewer, 31%, spent 2-4 days, and 28% said they spent 5 or more days a week training or studying. (Table 4.4)

Not surprisingly, perhaps, those not working at the time of acquisition studied or trained for almost twice as many days per week as those who were working (on average 3.9 compared with 2.2 days). More than half of those without a job studied for 5 or more days a week, compared with only 18% of those who were in employment. (Table 4.5)

Table 4.6 shows that studying was more concentrated for courses that were college-based than for those for which training took place only in the workplace: 39% of college-based courses had been full-time (five days a week or more) over the period of the course, compared with only 17% for those that were solely workplace-based. There was also considerable variation according to the subject area studied: 42% of IT courses were full-time, compared with only 19% of courses in retailing.

There was no association between the intensity of study and the length of the course (no table shown).

### **4.2 Effect of the training on the respondent's work**

#### **Effect of studying on work**

For those in paid employment while studying for their NVQ, hours worked and pay can be affected. Among those in work at the time of acquisition, 14% reported working fewer hours for their employer as a result of their studies, but only half of these (7% of those in work) said that this led to them earning less than they otherwise would have. The likelihood of hours and pay being affected varies according to the subject of the NVQ: 23% of those obtaining a Level 2 NVQ in hairdressing said they had lower pay as a result of time spent training, compared with 5% or fewer of those with a Level 2 in health, and social care, business administration, engineering, or retailing. (Table 4.7)

Three fifths of respondents who were in paid employment said that other people at the place where they worked had taken the same NVQ course at the same time. This was most common among respondents with an NVQ in health and social care, where 78% had had colleagues studying at the same time, compared with only 26% for those studying hairdressing. Clearly,

variation in the number of employees at the workplace may account for some of the differences. (Table 4.8)

### **4.3 Effect of the NVQ training on future study**

#### **Qualifications obtained since the NVQ**

One in four respondents had acquired other qualifications since their Level 2 NVQ, ranging from 13% of those with an NVQ in retailing to 32% of those with an NVQ in construction or in health and social care. The further qualifications gained ranged from Basic Skills qualifications to degrees and diplomas, but the most common qualification was another Level 2 NVQ, obtained by 8% of respondents. (Table 4.9)

#### **Current studies and future plans**

Around one person in six (17%) was studying towards a qualification at the time of interview, and a further 29% said that although they were not currently studying they had definite plans to do so. One third of respondents had no plans for further study. (Table 4.10)

Those who had already obtained further qualifications since the Level 2 NVQ were more likely than those who had not to be currently studying (28% compared with 13%). Of those who were currently studying for a qualification, 37% were studying towards another NVQ – in most cases, a Level 3 one. (Table 4.11)

**Table 4.1 Length of Level 2 NVQ course by employment status**

*All with Level 2 NVQ*

Course days per week	Employment status at time of acquisition		
	Working	Not working	All
	%	%	%
Less than 6 months	11	13	12
6 months, but less than 1 year	22	21	22
1 year, but less than 2 years	44	45	44
2 years, but less than 3 years	19	16	18
3 years or more	4	5	4
<i>Base</i>	<i>1430</i>	<i>526</i>	<i>1956</i>

**Table 4.2 Length of Level 2 NVQ course by whether course was workplace- or college-based**

*All with Level 2 NVQ*

Length of Level 2 NVQ course	Solely college based	Solely workplace based	Combined college and workplace	Other / All	
				don't know	courses
	%	%	%	%	%
Less than 6 months	11	15	7	18	12
6 months, but less than 1 year	17	28	19	28	22
1 year, but less than 2 years	45	44	44	39	44
2 years, but less than 3 years	23	10	25	6	18
3 years or more	4	3	5	9	4
<i>Base</i>	<i>707</i>	<i>640</i>	<i>517</i>	<i>90</i>	<i>1954</i>

**Table 4.3 Length of Level 2 NVQ 2 course by subject area**

*All with Level 2 NVQ*

Subject area of (earliest) Level 2 NVQ		Less than 6 months	6 months, but less than 1 year	1 year, but less than 2 years	2 years, but less than 3 years	3 years or more	Base =100%
Land-based provision	%	3	13	57	13	14	70
Construction	%	11	14	28	38	9	146
Engineering, technology and Business administration, management and professional	%	16	23	38	15	7	214
Information and communication technology	%	8	24	54	14	1	348
Retailing, customer service and Hospitality, sports, leisure and travel	%	25	29	37	6	4	141
Hairdressing and beauty therapy	%	21	29	39	10	1	235
Health, social care and public services	%	9	18	43	25	4	182
	%	2	6	33	53	7	131
Other subject areas	%	10	23	50	13	4	445
All subject areas	%	11	16	50	20	2	44
	%	12	22	44	18	4	1956

**Table 4.4 Days per week studying or training on Level 2 NVQ course by employment status**

*All with Level 2 NVQ*

Course days per week	Employment status at time of acquisition		
	Working	Not working	All
	%	%	%
Less than 1 day	8	1	6
1 day, but less than 2 days	44	11	35
2 days, but less than 5 days	30	32	31
5 days or more	18	56	28
Average number of days per week	2.2	3.9	2.6
Base	1567	581	2148



**Table 4.5 Days per week studying or training on Level 2 NVQ course by whether course was workplace- or college-based**

*All with Level 2 NVQ*

Course days per week	Solely college based	Solely workplace based	Combined college and workplace	Other / don't know	Total
	%	%	%	%	%
Less than 1 day	2	14	2	2	6
1 day, but less than 2 days	24	45	40	19	35
2 days, but less than 5 days	35	25	33	31	31
5 days or more	39	17	25	48	28
Average number of days per week	3.2	1.9	2.5	3.5	2.6
<i>Base</i>	772	703	575	99	2149

**Table 4.6 Days per week on NVQ 2 course (derived) by subject area**

*All with Level 2 NVQ*

Subject area of (earliest) Level 2 NVQ		Less than 1 day	1 day, but less than 2 days	2 days, but less than 5 days	5 days or more	<i>Base =100%</i>
Land-based provision	%	4	34	35	27	79
Construction	%	1	29	30	39	153
Engineering, technology and Business administration, management and professional	%	7	40	26	27	225
Information and communication technology	%	5	31	28	36	387
Retailing, customer service and Hospitality, sports, leisure and travel	%	1	28	29	42	161
Hairdressing and beauty therapy	%	10	47	24	19	267
Health, social care and public services	%	8	33	32	27	206
Other subject areas	%	1	27	40	32	141
Health, social care and public services	%	8	36	35	21	483
Other subject areas	%	6	45	32	17	47
All subject areas	%	6	35	31	28	2149

**Table 4.7 Reduction of paid hours of work due to Level 2 training by subject area**

<i>Those who worked while acquiring NVQ</i>					
Subject area of (earliest) Level 2 NVQ		Fewer hours of paid work, and lower pay	Fewer hours of paid work, but same pay	No fewer hours of paid work	Base =100%
Land-based provision	%	16	10	73	49
Construction	%	15	6	79	96
Engineering, technology and manufacturing	%	4	12	84	195
Business administration, management and professional	%	4	9	87	215
Information and communication technology	%	11	6	82	62
Retailing, customer service and transportation	%	2	6	92	260
Hospitality, sports, leisure and travel	%	12	5	83	169
Hairdressing and beauty therapy	%	23	7	69	94
Health, social care and public services	%	5	5	90	442
Other subject areas	%	5	8	87	38
All subjects	%	7	7	86	1620

**Table 4.8 Whether colleagues were also doing NVQ2 at the same time**

*Those who worked while acquiring NVQ*

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Subject area of (earliest) Level 2 NVQ	Someone else at work did same at same time	Base =100%	
Land-based provision	%	51	49
Construction	%	53	98
Engineering, technology and manufacturing	%	71	196
Business administration, management and professional	%	35	215
Information and communication technology	%	29	62
Retailing, customer service and transportation	%	76	262
Hospitality, sports, leisure and travel	%	49	169
Hairdressing and beauty therapy	%	26	94
Health, social care and public services	%	78	442
Other subject areas	%	58	38
All subjects	%	60	1625

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**Table 4.9 Whether acquired qualifications since Level 2 NVQ, by subject area**

*All those with a Level 2 NVQ*

Subject area of (earliest) Level 2 NVQ	Further qualifications since Level 2 NVQ		
	Any further qualification	Further Level 2 NVQ qualification	Base =100%
	<i>Percentages</i>		
Land-based provision	25	8	79
Construction	32	8	160
Engineering, technology and manufacturing	25	9	235
Business administration, management and professional	26	10	390
Information and communication technology	15	10	164
Retailing, customer service and transportation	13	6	279
Hospitality, sports, leisure and travel	28	11	210
Hairdressing and beauty therapy	23	18	141
Health, social care and public services	32	4	506
Other subject areas	37	8	52
All subjects	25	8	2216

**Table 4.10 Plans for further study by whether qualifications acquired since Level 2 NVQ**

*All those with a Level 2 NVQ*

Plans for further study	With other qualifications since NVQ2	No other qualifications since NVQ2	Total
	%	%	%
Currently studying	28	13	17
Has current plans	31	28	29
Has no current plans, but might want to study in the next 3 years	18	19	19
Has no current plans, and is unlikely to want to study in the next 3 years	22	36	33
Has no current plans, dk likelihood of further study	1	3	3
<b>Base</b>	<b>513</b>	<b>1683</b>	<b>2196</b>

## **5 The effect on employment of obtaining a Level 2 NVQ**

### **5.1 Changes in employment since obtaining NVQ**

Overall, 40% of respondents were in a different job at the follow-up survey interview from the one they had when they acquired their Level 2 NVQ. A rather smaller proportion, 24%, had stayed in the same job. The proportions in each category were similar for men and for women, except that women were more likely to have stopped working since obtaining the NVQ. This difference was particularly marked among younger women, and is probably accounted for by pregnancy or child-rearing. In fact, young women were generally less likely than young men to have been working both when they obtained the NVQ and at the follow-up interview. (Table 5.1)

Not surprisingly, perhaps, older respondents were less likely to have changed job – 27% of those aged 45 and over when they obtained their NVQ had done so, compared with about half of those aged under 25. One in twelve respondents (8%) were working neither when they obtained their NVQ nor at the follow-up interview. This proportion was significantly higher among those aged 25-34 than among other age groups. The more recent the qualification, the less likely respondents were to have changed job since it was obtained. (Table 5.2)

There was also considerable variation in change in employment according to the subject studied for the NVQ. Those with an NVQ in health and social care were the most likely to be still in the same job (37% compared with only 13% of those who had an NVQ in business administration or information technology). More than one half of those with an NVQ in retailing or hospitality, sports and leisure had changed jobs, compared with only 22% of those with an NVQ in information technology. As many as 42% of those with an NVQ in information technology had not been working when they acquired their NVQ, but had found a job since. (Table 5.3)

### **5.2 Effect of the NVQ on the job held at the time it was acquired**

It might be expected that vocational qualifications could make a difference to the way people carry out their work, although the Level 2 NVQ is sometimes taken to confirm and validate pre-existing skills.

Of those respondents who were in paid employment when they obtained their Level 2 NVQ, 89% (no table shown) continued to have the same job immediately afterwards, and they were asked if the NVQ had made any difference to the way they did their job, and to the amount of responsibility they were given. Half of those who stayed in the same job said that the NVQ made a difference to the way they did their work, and 29% said that they were given more responsibility. (Table 5.4)

Table 5.4 also shows, unsurprisingly, perhaps, that the more relevant the Level 2 NVQ to the job held at the time of acquisition, the more likely it was to have made a difference to the way they did their job: 70% of those who thought the qualification was very relevant, compared with only 5% of those who said it was not at all relevant, thought that the NVQ had made a difference to how they did their job. Similarly, those who thought the NVQ was relevant to their job were also much more likely to say they were given more responsibility after they obtained it.

There was little difference between age groups in the proportions saying the NVQ had affected the way they did their work, but those under age 25 were more likely than older respondents to say they had been given more responsibility (35% compared with 25% of those aged 25 and over). (Table 5.5)

Although the differences are not marked, there was some variation by subject area of the Level 2 NVQ in the proportions saying they did their job differently, ranging from 42% for retailing and engineering to 58% for health and social care. Again, there was more variation by NVQ subject in the likelihood of a change in the amount of responsibility given: 47% of those whose qualification was in construction said this was the case, but only 18% of those with an NVQ in retailing did so. (Table 5.6)

It might be expected that those initially with the least skilled jobs would be most likely to report that the qualification had made a difference to the way they did their work. The National Statistics Socio-Economic Classification (NS-SEC) categorises occupations according to the skill and expertise associated with them, (and by extension to the accompanying managerial responsibility or status). There was little difference by NS-SEC category in the proportion reporting that the qualification made a difference to the way they did their job. (Table 5.7)

However, Table 5.6 also shows that the acquisition of the Level 2 NVQ was more likely to be accompanied by increased responsibility among some occupation groups than others. The proportion reporting increased responsibility was lower among those in professional and managerial occupations than among other groups. The group most likely to say they had more responsibility were those in lower technical craft occupations, 41% of whom said this was the case.

Those whose employer had required them to take the NVQ were no more likely than other respondents to say they were given more responsibility after they obtained it. (no table shown).

### **5.3 Perceived benefits of obtaining a Level 2 NVQ**

#### **Job-seeking since acquisition of NVQ**

One potential reason for acquisition of a Level 2 NVQ is to help in the search for work – either to obtain work when unemployed, or to use the qualification to assist in changing jobs.

Respondents were asked if they had tried to find or change jobs since obtaining their Level 2 NVQ, and 62% had done so. As would be expected, the proportion was higher among those who were not working at the time of acquisition than among those who already had a job – 79% compared with 56%. (Table 5.8)

Among those who had tried to find or change jobs since acquisition, 60% thought that the qualification had made a difference when they were looking for work. Those who said they had not found the qualification to be helpful in finding or changing job since acquisition were asked why. A wide variety of reasons were given, mostly reflecting a perceived lack of relevance of the qualification. The most common reason, given by 30%, was that the NVQ had been in an inappropriate subject, 13% said that employers did not view the qualification as useful, 12% said that the job they were seeking had not required the qualification, and 11% that the content of the course was not useful for the work they did. (Tables 5.9, 5.10)

Among those working at the time of acquisition, similar proportions gave the three most common reasons given for changing jobs: to obtain better pay (24%), to seek more interesting work (23%), and to improve career prospects (22%). The other main reasons mentioned were redundancy (17%), the desire to obtain better working conditions (14%), being offered better work (13%), and family or personal reasons (13%). Those not working when they obtained their NVQ gave similar reasons for looking for work, but, not surprisingly, perhaps, pay figured more often as a reason for doing so. (Table 5.11)

#### **Job status, skills and responsibilities**

One important aspect of a vocational qualification is the relevance of the skills it brings to the learner. About two thirds of respondents with Level 2 NVQs felt that the qualification had given them skills needed to carry out their work. There were no subject areas where the likelihood of reporting that the Level 2 NVQ provided skills required to do the job differed markedly from the average, although Level 2s in construction were perceived as the most likely, and those in hospitality, sports and leisure, and in engineering, perceived as the least likely, to provide skills required for work.

If learned skills are perceived as not relevant to the job held, this may not necessarily imply a problem with the qualification, but could mean that the respondent either was not being given chances at work to use their skills or that they had simply not yet found a job in the career for which they had trained. For some occupations, an enhanced understanding of an individual's role and duties may be as important an outcome for a qualification as the acquisition of specific skills: 63% said that having the NVQ had increased their confidence at work, and 54% said that their qualification had given them a clearer understanding of their role at work. (Table 5.12)

### **Pay, promotion and job security**

Whether the NVQ assists in career development, and in particular with gaining promotion, is a further area the study considered. Just over one third (35%) of respondents with Level 2 NVQs who had been employed at some point since obtaining the NVQ said that they had tried to obtain promotion at work since acquiring their qualification. About two thirds of this group (21% of all those who had worked since acquiring their NVQ) thought that the NVQ had been helpful in their attempt to get promotion. (Table 5.13)

One potential benefit which might accompany acquisition of a qualification is an increase in earnings. On the assumption that any respondent might receive pay increases, regardless of whether they took active steps to obtain one, all respondents were asked directly whether their Level 2 NVQ had been helpful in getting better pay. Just over one third (36%) reported that it had been helpful in this way. Different kinds of Level 2 NVQ have a different likelihood of being perceived as helping lead to better pay. Those with an NVQ in construction were much more likely than respondents with all other subjects to feel that the Level 2 was helpful in getting better pay. The association between earnings and the Level 2 NVQ is discussed further in Chapter 6.

Another potential benefit of a qualification is to increase job security. In the follow-up study, 35% of respondents who had been in work at some point since acquiring their Level 2 NVQ said that their qualification had given them greater job security. (Table 5.14)

## **5.4 Employment at time of follow-up survey**

### **Requirement of NVQ for current job**

One measure of the relevance of a qualification is whether it is required for carrying out a particular job. Just over one third (36%) of those currently working thought that they would need a Level 2 NVQ if they were to apply now for their current job. The proportion was higher, at 42-43%, for those who had completed their NVQ less than 5 years previously, compared with 32% among those whose NVQ had been obtained five years ago or earlier. (Table 5.15)

Among those who were also working when they obtained their NVQ, those who had changed jobs since they acquired their Level 2 were less likely to think their NVQ would be required for their current job than were those still in the same job. (29% compared with 48%). (Table 5.16)

There was considerable variation by subject area of NVQ in the proportions thinking that the Level 2 NVQ would be required if they applied for their current job today, ranging from 53% for those whose qualification was in health and social care, to only 14% for those with an NVQ in retailing. Although 36% said that their NVQ would be required if they were to apply for their job now, 74% thought they could successfully carry out their job without having done the qualification. When asked more generally about the reactions of people in the workplace to the fact that they had a Level 2 NVQ, 30% reported that they felt valued more by others at work as a result of having the qualification. This proportion varied considerably by subject area of the qualification, ranging from 49% for those with a Level 2 NVQ in construction, to just 14% for those with the qualification in retailing. (Table 5.17)

### **NVQs among co-workers**

Four fifths of respondents said that there were other people working in the organisation doing the same job, and 69% of this group (55% of all those with a Level 2) said that some of those who were doing the same work did not have a Level 2 NVQ. Even among those who had said that they couldn't do their job without the NVQ, about half (52%) said that there were other people at work doing the same job without the Level 2 qualification. (Table 5.18)

## **5.5 Benefits not related to the current job**

All respondents were asked about potential benefits of the Level 2 NVQ that were not directly related to a current job. More than half of those interviewed thought it had given them skills that were useful outside work, that it had given them confidence when seeking work, and encouraged them towards further study. Almost as many, 49% said that it had given them ideas about different types of work they could do. Rather fewer, 33% said that the NVQ had given them confidence outside the working environment: the proportion saying this was much higher among those who had not worked since getting the NVQ than among those who had (52% compared with 32%). (Table 5.19)

The reported examples of skills being useful outside of work were:

- Doing odd jobs around the home, in the garden, on the car for family or friends (23%)
- Improved computer skills, along with typing, operating fax etc. (14%)
- Better writing and communication skills (13%)
- Better interpersonal skills, and ability to think about others (13%)
- The ability to share knowledge, advice and training with others (11%)
- Specific knowledge relating to first aid or health and safety issues (9%)
- Generally improving confidence, assertiveness and self image (13%)
- Better ability to cook and prepare food at home (6%)
- Increased ability and insight with regard to caring for children (6%)
- Skills required to carry out private work and apply for work / transferable skills (10%)
- Skills and insights relating to caring for the elderly (4%)
- General organisational skills (4%)
- Budgeting / financial skills (3%)
- Provided skills / opportunities to help with voluntary work / charities / clubs (2%)
- Skills and insights in caring for those with disabilities (2%)
- Ability / confidence to help children with homework (2%)



**Table 5.1 Employment now and when acquired NVQ, by sex and age at time of acquisition**

*All those with an NVQ*

Age when NVQ was acquired		In same job as when acquired NVQ	In different job from when acquired NVQ	Working now, not when acquired NVQ	Working when acquired NVQ, but not now	Not working now or when acquired NVQ	Base =100%
<b>Men</b>							
Under 20	%	23	45	22	5	5	232
20-24	%	21	54	15	6	4	136
25-34	%	21	34	27	5	12	154
35-44	%	30	37	22	4	7	153
45 and over	%	30	26	19	10	16	125
Total	%	25	40	21	6	8	800
<b>Women</b>							
Under 20	%	16	40	20	15	8	336
20-24	%	9	50	21	14	6	141
25-34	%	19	40	16	12	13	232
35-44	%	28	39	18	9	6	308
45 and over	%	42	27	10	14	7	260
Total	%	24	38	17	13	8	1277
<b>All persons</b>							
Under 20	%	15	47	21	11	6	533
20-24	%	14	52	19	10	6	254
25-34	%	22	37	19	9	13	402
35-44	%	32	37	19	7	6	463
45 and over	%	38	27	13	13	10	368
Total	%	24	40	18	10	8	2020

**Table 5.2 Employment now and when acquired NVQ by time since acquired earliest NVQ**

*All those with an NVQ*

	Time since acquired NVQ Level 2			
	<2 years	2-4 years	5+ years	All
	%	%	%	%
In same job as when acquired NVQ	53	35	14	24
In different job from when acquired NVQ	25	39	42	40
Working now, not when acquired NVQ	7	12	23	18
Working when acquired NVQ, but not now	8	8	11	10
Not working now or when acquired NVQ	8	6	10	8
<b>Base = 100%</b>	<b>158</b>	<b>674</b>	<b>1189</b>	<b>2021</b>

**Table 5.3 Employment now and when acquired NVQ, by subject area**

		<i>All those with an NVQ</i>					
Subject area of (earliest) Level 2 NVQ		In same job as when acquired NVQ	In different job from when acquired NVQ	Working now, not when acquired NVQ	Working when acquired NVQ, but not now	Not working now or when acquired NVQ	Base =100%
Land-based provision	%	21	28	24	11	16	75
Construction	%	30	27	26	5	12	150
Engineering, technology and manufacturing	%	28	47	13	8	4	224
Business administration, management and professional	%	13	34	34	7	11	366
Information and communication technology	%	13	22	42	4	19	159
Retailing, customer service and transportation	%	25	55	3	15	2	264
Hospitality, sports, leisure and travel	%	21	54	14	7	5	198
Hairdressing and beauty therapy	%	18	35	17	15	15	131
Health, social care and public services	%	37	37	8	14	4	462
Other subject areas	%	25	40	19	6	10	48
All subjects	%	24	39	18	10	8	2077

**Table 5.4 Whether NVQ made a difference the job being done at the time, by whether respondent thought the NVQ was relevant to that job**

<i>Those who stayed in the same job after obtaining the NVQ</i>				
relevance of NVQ	Percentage reporting that Level 2 NVQ made a difference to:			Base = 100%
	how the job was done	responsibility given		
Very relevant	70	44		632
Fairly relevant	46	23		536
Not very relevant	14	6		135
Not at all relevant	5	2		133
All	50	29		1436

**Table 5.5 Whether Level 2 NVQ made difference to how job was done, and to level of responsibility given, by age at acquisition**

*Those who stayed in the same job after obtaining the NVQ*

Age at which acquired first Level 2 NVQ	Percentage reporting that Level 2 NVQ made a difference to:		
	how the job was done	responsibility given	
under 20	53	36	321
20-24	51	33	171
25-34	47	25	270
35-44	49	27	346
45-54	52	23	247
55 and over	58	23	40
Total	51	29	1395

**Table 5.6 Whether Level 2 NVQ made difference to how job was done, and to level of responsibility given, by subject area**

*Those who stayed in the same job after obtaining the NVQ*

Subject area of (earliest) Level 2 NVQ	Percentage reporting that Level 2 NVQ made a difference to:		Base = 100%
	how the job was done	responsibility given	
Land-based provision	55	40	40
Construction	56	47	85
Engineering, technology and manufacturing	42	24	178
Business administration, management and professional	50	25	181
Information and communication technology	48	25	52
Retailing, customer service and transportation	42	18	234
Hospitality, sports, leisure and travel	46	25	149
Hairdressing and beauty therapy	52	41	69
Health, social care and public services	58	34	416
Other subject areas	43	26	35
All subjects	50	29	1439

**Table 5.7 Whether Level 2 NVQ made difference to how job was done, and to level of responsibility given, by NS-SEC category**

*Those who stayed in the same job after obtaining the NVQ*

NS-SEC category	Percentage reporting that Level 2 NVQ made a difference to:		Base = 100%
	how the job was done	responsibility given	
Managerial & professional	49	22	210
Intermediate occupations	50	29	243
Small Employers / own-account workers	54	25	24
Lower supervisory occupations	50	32	252
Lower technical craft	54	41	87
Semi-routine occupations	50	26	387
Routine occupations	49	33	230
All groups	50	29	1433

**Table 5.8 Percentage who tried to find a new job, by whether working at time of acquisition, and subject area of NVQ**

*Those who had worked since acquiring NVQ*

Subject area of (earliest) Level 2 NVQ	Whether working at acquisition			Bases = 100%		
	Working at acquisition	Not working at acquisition	Total	Working at acquisition	Not working at acquisition	Total
	<i>Percentages</i>					
Land-based provision	54	74	61	48	27	75
Construction	46	72	55	96	50	146
Engineering, technology and manufacturing	56	74	59	192	35	227
Business administration, management and professional	70	86	77	211	170	382
Information and communication technology	62	82	74	61	93	154
Retailing, customer service and transportation	56	73	57	254	15	269
Hospitality, sports, leisure and travel	64	81	67	166	37	203
Hairdressing and beauty therapy	70	79	73	92	43	135
Health, social care and public services	45	75	48	434	60	494
Other subject areas	46	55	48	37	11	48
All subject areas	56	79	62	1591	541	2133

**Table 5.9 Whether Level 2 NVQ has made difference when looking for work**

*Those who have looked for work since NVQ*

Whether working at acquisition	Whether NVQ made a difference			Base	
	Yes	No	Don't Know		
Working at acquisition	%	59	40	1	917
Not working at acquisition	%	61	38	1	472
All	%	60	39	1	1389

**Table 5.10 Reasons Level 2 NVQ did not help when looking for work**

*Those who said NVQ did not help when looking for work*

Reasons given*	Work status at time of acquisition			
	Working	Not working	All	
	%	%	%	
Wrong subject	30	29	30	
Employers did not value Level 2	13	12	13	
Job sought did not require qualifications	14	6	12	
Content of course not useful at work	10	13	11	
Wrong qualification	9	8	9	
Wrong level	9	5	8	
Employers not aware respondent has Level 2 NVQ	4	3	4	
Worked for self	3	2	3	
Other reasons	21	30	24	
No reason given	8	6	7	
<b>Base</b>	<b>372</b>	<b>186</b>	<b>558</b>	

\* percentages sum to more than 100, since respondents could give more than one reason

**Table 5.11 Reasons for changing job by whether working at time of acquisition**

*Those who have changed jobs since NVQ*

Reasons for new job	Work status at time of acquisition		
	Working	Not working	Total
	%	%	%
Pay	24	31	26
Seeking more interesting work	23	12	19
Career prospects	22	16	20
Redundant/laid off/contract ended	17	11	15
Family/personal reasons	13	10	12
Conditions	14	4	11
Offered better work	13	5	11
Wanted to use new qualification	7	11	8
Personal suitability for other job	7	5	7
Starting work/wanted job	1	16	6
More qualified for other job	5	3	4
Other reasons	11	4	9
No reason given	4	9	5
<i>Base</i>	<i>405</i>	<i>185</i>	<i>590</i>

*\* percentages sum to more than 100, as respondents could give more than one reason*

**Table 5.12 Whether Level 2 NVQ provided skills needed to do job, by subject area**

Subject area of (earliest) Level 2 NVQ	<i>Those who had worked since acquiring NVQ</i>				
		Perceived benefits of NVQ to the respondent's job Gave skills needed for the job	Increased confidence	Clearer understanding of role	Base =100%
Land-based provision	%	60	63	43	70
Construction	%	74	68	58	151
Engineering, technology and manufacturing	%	62	55	47	223
Business administration, management and professional	%	74	68	48	362
Information and communication technology	%	68	61	34	146
Retailing, customer service and transportation	%	64	53	50	264
Hospitality, sports, leisure and travel	%	62	63	47	200
Hairdressing and beauty therapy	%	69	67	53	123
Health, social care and public services	%	71	68	67	473
Other subject areas	%	50	56	48	48
All subject areas	%	68	63	52	2060

**Table 5.13 Effect of NVQ on attempts to get promotion**

*Those who had worked since acquiring NVQ*

Subject area of (earliest) Level 2 NVQ		Tried for promotion, NVQ helped	Tried for promotion, NVQ no help	Did not try for promotion	Base = 100%
Land-based provision	%	17	13	70	70
Construction	%	23	7	70	149
Engineering, technology and manufacturing	%	18	16	66	223
Business administration, management and professional	%	22	18	60	358
Information and communication technology	%	19	13	68	144
Retailing, customer service and transportation	%	22	17	61	263
Hospitality, sports, leisure and travel	%	20	17	63	199
Hairdressing and beauty therapy	%	10	11	79	122
Health, social care and public services	%	25	9	67	473
Other subject areas	%	15	17	69	48
All subjects	%	21	14	65	2049



**Table 5.14 Whether Level 2 NVQ led to better pay and greater job security, by subject area**

*Those who had worked since acquiring NVQ*

Subject area of (earliest) Level 2 NVQ	% saying that NVQ led to greater job security	% thinking that NVQ helped get better pay	Base =100%
Land-based provision	31	31	70
Construction	47	55	150
Engineering, technology and manufacturing	37	34	223
Business administration, management and professional	35	36	361
Information and communication technology	26	34	146
Retailing, customer service and transportation	16	27	264
Hospitality, sports, leisure and travel	28	35	200
Hairdressing and beauty therapy	43	32	123
Health, social care and public services	44	42	473
Other subject areas	31	29	48
All subjects	35	36	2058

**Table 5.15 Whether Level 2 NVQ would be required for current job by time since acquisition**

*Those currently working*

	Time since acquired NVQ Level 2			
	<2 years	2-4 years	5+ years	All
	%	%	%	%
Yes	43	42	32	36
No	50	54	65	60
Don't know	6	4	4	4
<i>Base</i>	145	627	1025	1797

**Table 5.16 Whether Level 2 NVQ would be required for current job by whether in same job**

*Working at follow-up and at time of acquiring Level 2 NVQ*

	In same job as at time of acquisition	Not in same job as at time of acquisition	Total
	%	%	%
Yes	48	29	36
No	47	68	60
Don't know	5	3	4
<i>Base</i>	<i>509</i>	<i>816</i>	<i>1325</i>

**Table 5.17 Whether Level 2 NVQ would be required for current job by subject area**

*Those working at follow-up*

Subject area of (earliest) Level 2 NVQ	% saying that Level 2 NVQ would be required for new recruits to current job	% saying that current job could be done without Level 2 NVQ	% who felt more valued at work after acquiring the NVQ	<i>Base = 100%</i>
Land-based provision	27	75	33	<i>60</i>
Construction	45	57	49	<i>134</i>
Engineering, technology and manufacturing	35	74	27	<i>210</i>
Business administration, management and professional	39	70	24	<i>322</i>
Information and communication technology	24	70	26	<i>127</i>
Retailing, customer service and transportation	14	88	14	<i>235</i>
Hospitality, sports, leisure and travel	23	84	24	<i>188</i>
Hairdressing and beauty therapy	48	59	27	<i>101</i>
Health, social care and public services	53	76	39	<i>425</i>
Other subject areas	30	76	23	<i>46</i>
All subjects	36	74	29	<i>1848</i>

**Table 5.18 Whether others doing same job have a Level 2 NVQ by reliance on qualification**

*Working at follow-up (and others at work doing same job)*

	Whether could do current job without Level 2 NVQ		
	Could	Could not	All
	%	%	%
% of all those currently working who said others at work did the same job	81	75	80
<i>Base (all currently working) =100%</i>	<i>1373</i>	<i>453</i>	<i>1826</i>
	%	%	%
All doing same job have a Level 2 NVQ	13	35	18
Some of those doing same job do not have a Level 2 NVQ	75	52	69
Don't know	12	13	13
<i>Base (those with others doing the same job) =100%</i>	<i>1117</i>	<i>355</i>	<i>1472</i>

**Table 5.19 Perceived benefits of the Level 2 NVQ not directly related to a current job, by whether had worked since acquiring the NVQ**

*All with NVQ*

	Whether has worked since acquisition		
	Yes	No	Total
	<i>Percentages</i>		
Gave skills useful outside work	58	59	58
Gave confidence in looking for work	55	46	54
Encouraged further study	52	44	52
Gave ideas about different work	50	44	49
Gave confidence outside work	32	52	33
<i>Base = 100%</i>	<i>2060</i>	<i>156</i>	<i>2216</i>

## 6 Impact of NVQ level 2 on earnings growth

### 6.1 Introduction

Chapter 5 reported on the extent to which follow-up survey respondents felt that their Level 2 NVQ had been helpful to them in getting better pay, and this chapter attempts to look in a more objective way at the association between qualifications and growth in earnings. This analysis can determine only whether or not there is a correlation between earnings growth and other factors: it cannot establish causality, which requires the use of advanced statistical techniques that are beyond the scope of this project.

The analysis cannot be done using the follow-up survey alone, because there is no control group of respondents without a Level 2 for comparison. This chapter therefore uses Labour Force Survey data to examine the relationship between earnings growth and the attainment of a level 2 NVQ qualification. Three analyses are presented:

1. A descriptive analysis of average hourly pay by highest qualification obtained.
2. A regression analysis of earnings growth controlling for a range of variables which may affect it, to see whether obtaining a Level 2 NVQ has an independent effect on earnings growth.
3. A comparison of those who obtained their NVQ before Wave 1 with those who obtained the qualification between Waves 1 and 5, to see whether obtaining a Level 2 NVQ results in a one-off pay increase.

### 6.2 The data

The data are taken from eight quarterly cohorts of the LFS – those whose Wave 1 interviews were from March 2001 to February 2003 inclusive. Data on earnings were collected at Waves 1 and 5. In most LFS interviews, one household member responds on behalf of all adults in the household, so in many cases, the earnings information is not obtained directly from the person concerned.

The sub-sample for analysis consists of LFS respondents who were employees in both Waves 1 and 5: the self-employed are not asked questions about income, and have therefore been excluded.

Three earnings variables were considered for this analysis:

1. Gross weekly pay: this does not take into account any changes between Waves 1 and 5 in the number of hours worked. A switch from part-time to full-time working might show that gross weekly pay had risen by a large amount when this was solely due to the increase in the number of hours worked.
2. Basic hourly pay rate: this is asked only of respondents who are paid a fixed hourly rate, and is therefore available for a smaller sample than gross weekly pay.
3. Average hourly pay, which is gross weekly pay divided by the number of hours worked.

It was decided to restrict this analysis to average hourly pay, since this takes account of changes in hours worked between the two waves, and is available for a larger proportion of the sample than the basic hourly rate.

**Figure 6.1 Ratio of average hourly pay at Wave 1 to average hourly pay at Wave 5**

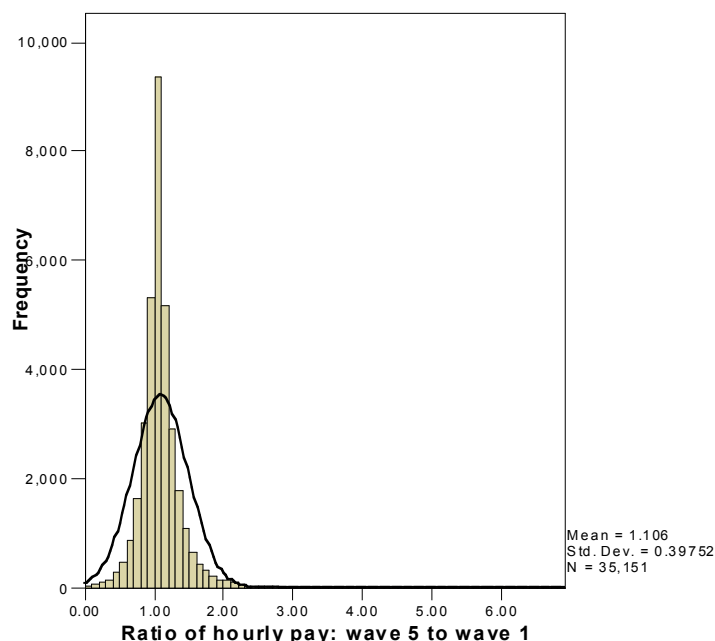


Figure 6.1 shows the distribution of the ratio of average hourly pay at Wave 5 to the same measure at Wave 1: a value of 1.1 indicates that average hourly pay was 10% higher at Wave 5 than at Wave 1. The same data are summarised in Table 6.1.

The mean increase in average hourly pay for all those who were employees at Wave 1 and Wave 5 was 13%, but a quarter of the sample had a fall in earnings of at least 6% while another quarter had a rise of at least 20%. The minimum ratio shown is 0 while the maximum is 168. These outlying values do not seem plausible and suggest that the earnings information may be incorrect in an appreciable number of cases.

The second row of the table shows equivalent figures for those who were interviewed in person rather than by proxy, and who consulted documents such as a payslip or bank statement when answering the earnings questions. This group would be expected to provide more accurate information: the summary statistics are very similar to those of the full sample, but the maximum and minimum values are less extreme.

To reduce the amount of error in the data, the analysis that follows omits the most implausible values. The cut-off points have been arbitrarily set such that only cases that have ratios of at least 0.75 and no more than 1.5 have been included. Restricting the sample for analysis in this way has reduced it by about 15%. The choice of cut-off points and the restriction of the sample in this way introduces some additional uncertainty to the results presented in this chapter.

### **6.3 Descriptive analysis by highest qualification level**

The first analysis presented is of average hourly pay and the average hourly pay ratio by qualification sub-group. Table 6.2 shows that hourly pay was substantially higher at both waves for employees already with qualifications above NVQ Level 2 at Wave 1, who were earning an average of £12.31 an hour: no other qualifications group was earning more than £9 an hour. Differences were of similar magnitude at Wave 5.

The table also shows that there were no large differences between categories in average hourly pay between Waves 1 and 5 - the mean for the whole sample was 1.07, and the values for all groups were within a narrow range from 1.05 to 1.08. Because of his lack of variation, together

with the small sample sizes in most groups, only two groups were significantly different from the whole sample:

- those whose highest qualifications were below NVQ Level 2 at both waves (the group labelled a in the table) had significantly lower earnings growth than average;
- those who had qualifications above NVQ Level 2 at Wave 1 (group j) had significantly better earnings growth than average.

The key group of interest to this study, those with qualifications below NVQ Level 2 at Wave 1 but who had obtained the qualification by Wave 5 (group b in the table) did have above average earnings growth of 7.9%, but the difference was not significantly different.

The highest average increase (8.1%) was achieved by the group that had qualifications below level 2 at Wave 1 but were above level 2 at Wave 5 – ie those who had made the greatest gain in qualification level. This was significantly higher than for those whose qualifications were below NVQ2 throughout, but not significantly different from the average for all employees.

## 6.4 Regression analysis

The previous analysis did not control for any factors other than qualification level that could have had an effect on the rate of increase of wages. Linear regression has therefore been carried out to examine which of a range of variables has a significant effect on average hourly pay, when all other variables are held constant. The predictor variables used were as follows (the reference category in brackets):

- age, age squared: the squared term takes account of any quadratic effects of age - for example if earnings growth increases with age but at a diminishing rate;
- sex;
- a ten-industry classification;
- a nine-occupation classification;
- full-time/part-time status;
- highest qualification: a set of variables that consists of possible combinations of highest qualification for the two points in time;
- a set of indicator variables that identifies each cohort of respondents.

As with the previous analysis, only the sub-sample that had earnings ratio values of between 0.75 and 1.5 were included in the regression.

There was an additional difficulty with the industry and occupation variables that had to be resolved, because the respondent could have changed occupation or industry between Wave 1 and Wave 5. Controlling for these possible changes would have introduced over a hundred additional variables into the model and made interpretation of the results more difficult. To avoid this, two sets of regressions were estimated. The first used the industry and occupation values recorded in Wave 1, the second used the values recorded in Wave 5. Similar results were obtained, indicating that the changing of occupation and industry within the year did not greatly affect the analysis.

Figure 6.2 shows that both regressions had a very poor fit, with adjusted  $R^2$  measures very close to 0, which indicates that the predictor variables explain very little of the variation in the gross weekly pay ratio. No NVQ qualification variables were found to be statistically significant when these other variables were also taken into account. Moving from full-time to part-time work was associated with a rise in hourly earnings growth, which appears to be counter-intuitive.

**Figure 6.2 Regression results for average hourly pay ratio**

Variables that are significant in at least one of the two regressions	Occupation and industry information recorded at:	
	Wave 5	Wave 1
	Sign of coefficient	
Age	-	-
Age-squared	+	+
Industry		
Transport & communications	+	+
Construction	+	+
Public administration, education & health	+	+
Other services	+	+
Distribution, hotels and restaurants		+
Occupation		
Manager/senior official	+	
Professional	+	
Associate professional and technical occupation		-
Full-time to part-time mover	+	+
Qualifications above level 2 NVQ at both waves		+
Model Fit (Adjusted R <sup>2</sup> )	0.006	0.006
Sample size	29,681	29,678

## 6.5 The immediate impact of the Level 2 NVQ

One possible effect of obtaining an NVQ on pay might be an immediate one-off increase in pay from the employer. In order to test this, the distribution of earnings growth was compared for two sub-groups: respondents who had already obtained a Level 2 NVQ by the time of their Wave 1 interview (group e in Table 6.2), and those who gained the qualification between Waves 1 and 5 (group b in Table 6.2). If the NVQ resulted in an immediate pay rise, the earnings of the second group would show a greater increase than those of the first group

Although average hourly pay takes account of differences in the number of hours worked, it does not completely take account of the fact that hourly pay rates are generally lower for part-time than for full-time employees. The analysis was therefore repeated for those in full-time employment at both waves, and those in part-time employment at both waves. The figures in Table 6.3 show that among those who were working part-time at both waves, those who obtained the NVQ between Waves 1 and 5 had a significantly higher rate of earnings growth over that period than did those who had obtained their NVQ before Wave 1.

Among full-time employees, those who obtained the qualification between Waves 1 and 5 also had a slightly higher mean increase in average hourly pay (7.4% compared with 7.1%), but the difference is not large enough to be statistically significant.

**Table 6.1 Summary statistics for average hourly pay at Waves 1 and 5**

	Average hourly pay		Average ratio of hourly pay, Wave 5 to Wave 1					Base
	Wave 1	Wave 5	Minimum value	Lower quartile	Mean	Upper quartile	Maximum value	
Total sample	£9.72	£10.30	0.00	0.94	<b>1.13</b>	1.20	167.78	35,201
Personal response: consulted documents (both waves)	£9.79	£10.54	0.05	0.98	<b>1.14</b>	1.18	24.66	2,551

\* Note that the ratio of average pay at Wave 5 to Wave 1 is not exactly the same as the average ratio shown, which is an average of the pay ratios for individuals

**Table 6.2 Summary statistics for average hourly pay at Waves 1 and 5 by qualification level**

Highest qualification		Average hourly pay		Average hourly pay ratio, Wave 5 to Wave 1*	Standard error	Base	
Wave 1	Wave 5	Wave 1	Wave 5				
a	Below NVQ2	Below NVQ2	£6.95	£7.31	1.0646	0.0017	8,773
b	Below NVQ2	NVQ2	£5.93	£6.30	1.0789	0.0115	203
c	Below NVQ2	Equivalent of NVQ2	£7.65	£8.05	1.0657	0.0055	830
d	Below NVQ2	Above NVQ2	£9.00	£9.60	1.0811	0.0082	412
e	NVQ2	NVQ2	£6.24	£6.59	1.0672	0.0061	704
f	NVQ2	Above NVQ2	£6.49	£6.89	1.0747	0.0198	72
g	Equivalent of NVQ2	NVQ2	£6.03	£6.29	1.0524	0.0166	88
h	Equivalent of NVQ2	Equivalent of NVQ2	£8.51	£9.00	1.0694	0.0022	5,077
i	Equivalent of NVQ2	Above NVQ2	£8.76	£9.31	1.0733	0.0061	731
j	Above NVQ2	Above NVQ2	£12.31	£13.07	1.0747	0.0014	12,799
Total			£9.59	£10.16	1.0704	0.0009	29,689

\* Note that the ratio of average pay at W5 to W1 is not exactly the same as the average ratio shown, which is an average of the pay ratios for individuals



**Table 6.3 Average hourly pay ratio, by whether full-time or part-time**

When obtained Level 2 NVQ	Average hourly pay		Average hourly pay ratio, Wave 5 to Wave 1	Standard error	Base
	Wave 1	Wave 5			
Between W1 and W5					
All employees	£5.93	£6.30	1.0789	0.0115	203
Full-time employees*	£6.23	£6.60	1.0736	0.0135	128
Part-time employees*	£5.58	£6.08	1.1094	0.0256	53
Before W1					
All employees	£6.24	£6.59	1.0672	0.0061	704
Full-time employees*	£6.51	£6.90	1.0707	0.0070	488
Part-time employees*	£5.63	£5.83	1.0498	0.0134	168

\* at both waves

\*\* Note that the ratio of average pay at W5 to W1 is not exactly the same as the average ratio shown, which is an average of the pay ratios for individuals

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