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Skills for the Workplace: Employer Perspectives

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Skills for the Workplace: Employer Perspectives

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Foreword

Launched on 1st April 2008, the UK Commission for Employment and Skills is a key recommendation in Lord Leitch's 2006 review of skills *Prosperity for All in the Global Economy: World Class Skills.* The UK Commission aims to raise UK prosperity and opportunity by improving employment and skills. Its ambition is to benefit individuals, employers, government and society by providing independent advice to the highest levels of the UK Government and Devolved Administrations on how improved employment and skills systems can help the UK become a world class leader in productivity, in employment and in having a fair and inclusive society.

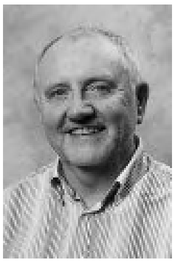
Research and policy analysis plays a fundamental role in the work of the UK Commission and is central to its advisory function. In fulfilling this role, the Research and Policy Directorate of the UK Commission is charged with delivering a number of the core activities of the UK Commission and has a crucial role to play in:

- Assessing progress towards making the UK a world-class leader in employment and skills by 2020;
- Advising Ministers on the strategies and policies needed to increase employment, skills and productivity;
- Examining how employment and skills services can be improved to increase employment retention and progression, skills and productivities.
- Promoting employer investment in people and the better use of skills.

We will produce research of the highest quality to provide an authoritative evidence base; we will review best practice and offer policy innovations to the system; we will undertake international benchmarking and analysis and we will draw on panels of experts, in the UK and internationally, to inform our analysis.

Sharing the findings of our research and policy analysis and engaging with our audience is very important to the UK Commission. Our Evidence Reports are our chief means of reporting our detailed analytical work. Our other products include Summaries of these reports; Briefing Papers; Thinkpieces, seminars and an annual Research and Policy Convention. All our outputs are accessible in the Research and Policy pages at www.ukces.org.uk.

This first Evidence Report, reporting on the results of a major survey of employers, will be followed in the coming months by other reports on major projects in our Business Plan. We hope you find the report useful and informative in building the evidence we need to achieve a more prosperous and inclusive society.



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Executive Summary

Introduction

This report provides analysis from a major survey of employers across the UK, exploring their experiences and perceptions of key aspects of the skills system across the UK. This is an important platform of evidence for the newly formed UK Commission for Employment and Skills in delivering its remit to raise UK prosperity and opportunity by improving employment and skills.

The survey covers:

- Skill challenges experienced by employers;
- Training practices;
- Wider high performance working practices;
- Perceptions of vocational qualifications (this aspect was included for the first time in this survey to provide data for the evaluation of the UK Vocational Qualification Reform, Programme);
- Perceptions of Sector Skills Councils.

The survey was conducted between December 2007 and February 2008, before the economic downturn began to bite in the UK. It is important to view the results of the survey in this context.

Skills challenges

Skills related problems recruiting staff continue to pose an important challenge for employers, although the challenge is one that has been decreasing over the last few years. Around half of establishments (52%) reported experiencing difficulty in recruiting staff with the required skills, compared to 57% in 2005 and 62% in 2003.

Half of establishments reported that the education system does not supply enough people equipped with the skills needed when starting a job. This figure has changed little over the last five years.

Nearly two fifths (37%) of all establishments agreed both that they have problems with recruiting and that the education system does not supply people equipped with the skills they need to start work.

Retaining valued staff poses a significant problem for three in ten establishments.

The more problems an employer experiences in terms of external skills shortages, the more likely they are to report difficulties retaining valued staff.

Training

Just over one third (36%) of establishments have a budget for training expenditure and just under half (48%) have a training plan that specifies the type and level of training required for the coming year. Three in ten (28%) establishments engage in both of these types of business planning and 44% engage in neither.

Just over three quarters of establishments have funded or arranged training for their employees (77%) and 65% of establishments had done so in the 12 months prior to the survey.

The use of informal training practices is more common, and pursued by more than 9 in 10 establishments. Around four in five use supervision structures to develop the skills of their employees, with a similar proportion offering opportunities for staff to spend time learning through watching others and/or allowing staff to perform tasks that go beyond their strict job role and then provided them with feedback on performance.

Barriers to training are far less commonly related to the (perceived) benefits of training and more likely to relate to the “costs” of providing training (in the broadest sense, not only financially). More than six in ten establishments (62%) reported disruption of work patterns and over half reported financial cost to be barriers to investing in training.

Just under three quarters of establishments (72%) felt that they were confident about knowing where to go outside of their organisation for help and advice on skills and training issues, with educational institutions and/or industry bodies the most likely to be approached for advice.

High Performance Working Practices

Three in ten establishments (30%) can be classified as engaging in high performance working practices (HPWP) in that they engage in at least 10 of the 16 measures explored. These establishments tend to be larger and are far more likely to operate within the public sector than the private. There has been little change in the proportion of High Performance Working Practice employers over time.

The rate at which each of the high performance working practices is adopted varies considerably. At one end of the scale, informal training practices (work shadowing, stretching or supervision) are almost universal and adopted by 92% of all establishments; at the other end, only one in eight establishments are ISO 9000 accredited.

Considering the practices within the framework of a well recognised model of good employee practice[1], practices associated with the development of employees' abilities are the most common (and are increasingly common), with those associated with deployment (developing the attitude of the workforce and the application of skills) considerably less common, and in a slower period of growth.

Larger employers and/or those in the public sector are most likely to adopt most of the high performance working practices. The exceptions are in the area of application. In particular, private sector establishments are more likely than public sector ones to reward employees in relation to overall company performance and/or individual performance. There is also less of a correlation between size of establishment and the propensity to adopt these reward and remuneration strategies than there is with the other practices.

Vocational Qualifications

NVQs/SVQs are the best known vocational qualification among business establishments. However, beyond NVQs/SVQs top of mind awareness of VQs is quite low and fragmented; two in five employers (40%) are unable to name a vocational qualification on a spontaneous basis. Almost all establishments recognise VQs when prompted.

A high level of awareness of NVQs is supported by a relatively deep level of knowledge. Three in five employers who have heard of NVQs/SVQs state that they have at least a broad general idea of what they are (compared to just under half - 46% - for other VQs).

A third of employers currently (34%) train to VQs, with around a further one in ten (9%) having done so in the past but not over the last 12 months. Legislative requirements play a role in bringing establishments to training. A fifth (19%) of VQ trainers has trained to VQs *only* when there was a legislative requirement to do so and just over a quarter (27%) had trained to VQs in *some* cases because they were required to do so by law. However, half of those who had trained staff to a vocational qualification had done so without being required to by law.

Sizeable majorities of employers agree that achievement of VQs leads to increases in knowledge and understanding (89%), the development of new skills (83%) and reliable standards of competence (80%). They are less likely to be convinced that they lead to better business performance (71%) or improved staff retention (61%).

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[1] Tamkin's 4 A's model, detailed in Chapter 4 of the main report.

Those employers who are not investing in VQs perceive a range of barriers to doing so. The most commonly given reason was that staff do not want this type of training (mentioned by 38%) but other reasons given by similar proportions of employers focussed around a lack of knowledge about VQs, the cost, the bureaucracy involved and the length of time that they take to complete.

Perceptions of Sector Skills Councils

Three in ten establishments covered by a Sector Skills Council (SSC) are aware of this SSC; this is slightly up on 2005. Larger establishments and those in the public sector are most likely to be aware of their SSC.

SSCs are most commonly associated, in employers' minds, with *running training courses for their sector's employees* and the most common reasons for having had dealings with an SSC were, as in previous years, to do with training (71%).

The proportion of establishments who have had dealings with their SSC has increased from 2005 to 2007. The vast majority (54%) of those who had had dealings with the SSC made contact *occasionally* – every 6 months.

After having remained relatively static between 2004 and 2005, engagement with SSCs has increased over the last two years (from 14% of aware employers in 2005 to 20% in 2007).

The majority (67%) of establishments reported that they were satisfied with the dealings they had had with their own SSC in the 12 months to the survey date. The majority of establishments with an awareness of their own SSC reported that this contact had had some positive impact on skills development in their sector (59%), rising to 80% of those who had dealings with their SSC. Half of those which had dealings with their SSC (52%) reported that it resulted in some change in the way they approached skills development.

Conclusion

Overall, the survey presents a picture of stabilising or decreasing skill challenges for UK businesses, greater use of training practices and high performance working practices and increased engagement with SSCs. But this is a picture of slow improvement, with further scope for improvement if the UK Commission for Employment and Skills is to deliver its remit, and key distinctions remain - especially between small and larger establishments.

1 Introduction and survey methodology

This report provides analysis from a major survey of employers across the UK, exploring their experiences and perceptions of key aspects of the skills system across the UK. This is an important platform of evidence for the newly formed UK Commission for Employment and Skills in delivering its remit to raise UK prosperity and opportunity by improving employment and skills. In this section we provide background information to the UK Commission for Employment and Skills and the survey methodology.

1.1 UK Commission for Employment and Skills

The UK Commission for Employment and Skills is a key recommendation in Lord Leitch's 2006 'Prosperity for All in the Global Economy' (HMT 2006). This important review of the skill levels and demand for skills in the UK identified that the UK needed to enhance its level of skills, not just absolute levels but also relative to other countries in the OECD. Its key principles included:

- Shared responsibility between employers, individuals and the state for action on, and investment in, skills;
- A focus on economically valuable skills which deliver real returns for individuals, employers and society;
- Demand-led skills – skills which meet the needs of individuals and employers and vocational qualifications which must be demand-led rather than centrally planned.

Building on these principles, one of the main recommendations of the review was to strengthen the employer voice in the skills system to ensure a focus on economically valuable skills and a system which was demand-led by employers' business needs for skills in a fast-changing global economy. The establishment of the UK Commission for Employment and Skills would manage employer influence on skills within a framework of rights and responsibilities. The detailed functions of the UK Commission, set out in its remit letter and included in the Business Plan (UKCES 2008) include advising Ministers on the strategies and policies needed to raise skills and employment levels, monitoring the contribution of different parts of the system and responsibility for the performance of Sector Skills Councils and advising Ministers on re-licensing.

Launched on 1st April 2008, the UK Commission is, then, an employer-led organisation, with Commissioners drawn from the highest levels of private, public and voluntary sectors, supported by trade union leadership. The UK Commission will strengthen the employer voice, provide greater employer influence over the employment and skills systems and promote employer investment in people. This survey of employers provides an important first assessment of employer perceptions of the skills system in particular and of their investment in the skills of their employees.

The survey of 13,500 employing business establishments across the UK provides evidence on a range of issues of importance to the UK Commission: the skills challenges employers face; how they respond to these issues through training practices; their use of and attitudes towards vocational qualifications (VQs); the organisational practices they adopt which can help them absorb skills and training and how they view Sector Skills Councils (SSCs), which form a key part of the demand-led skills systems.

Commissioned by the Sector Skills Development Agency (SSDA) in 2007, the survey provides a vital platform of intelligence for the UK Commission to develop further as it seeks to fulfil its remit. It builds on previous surveys commissioned by the SSDA, comparative analysis from these are included in the report.

1.2 Methodology

Further details on the survey method are provided in the Annexes. This section provides a summary of the approach.

The findings within this report are based on 13,556 CATI telephone interviews with employers conducted by IFF Research from their call centre in central London between December 2007 and February 2008. It is important to note that this was before the economic downturn began to bite in the UK and so results should be read in that context.

Interviews were conducted at establishment (rather than organisation) level. This was because while recruitment policies and priorities might be set at overall organisation level, it is at the level of the establishment that recruitment and training decisions tend to be made and skills supply problems experienced. Furthermore, two establishments in the same organisation may have very different experiences if they operate in different parts of the country, depending on the local labour market and local patterns of relevant training provision.

Telephone contact details for the employers sampled were sourced from the Experian Business Database, which has been found to be the most comprehensive source of establishment-level sample with telephone numbers. Given this database is of *businesses* it has more patchy coverage of public sector establishments, and therefore sample for such establishments was sourced from the IDBR database, with telephone numbers appended by UK Changes.

As the survey was commissioned by the SSDA, it was also designed to provide data for sectors as defined by the footprint of the SSC sectors. Quotas were set for 500 interviews to be achieved with employers under the footprints of each of the 25 SSC sectors, with an additional quota of 1,000 interviews shared evenly between two groups of establishments not covered by SSCs.

Within each SSC sector, interviews were distributed by size based on a modified Probability Proportionate to Size (PPS) approach using population figures from ONS (IDBR). In addition, a “rim” quota for nation within the UK was overlaid on the SSC sector by sizeband matrix. These national “rim” quotas ensured large enough base sizes in each constituent nation within the UK to allow analysis at the national level. This is necessary, in part, because skills policy is devolved to the UK nations and there is a need to have a clear understanding of whether and how employers’ perceptions and experiences differ across different parts of the UK.

Final data were grossed to reflect the total business population of establishments with 2+ employment using a sub-sector by sizeband grid for each SSC (using the same population figures from the IDBR). Over the top of these cell weights, a rim weight for country by SSC was imposed to correct for the over-sampling of Scotland, Wales and Northern Ireland within the survey design.

The method, and most of the questionnaire is consistent with three previous surveys commissioned by the SSDA in 2003, 2004 and 2005. Thererfore, where appropriate, comparisons to these earlier surveys are provided in this report.

2 Skills Challenges

Chapter Summary

- Skills related problems recruiting staff continue to pose an important challenge for employers, although the challenge is one that has been decreasing over the last few years. Around half of establishments (52%) reported experiencing difficulty in recruiting staff with the required skills, compared to 57% in 2005 and 62% in 2003.
- Half of establishments reported that the education system does not supply enough people equipped with the skills needed when starting a job. This figure has changed little over the last five years.
- Retaining valued staff poses a significant problem for three in ten establishments.
- Nearly two fifths (37%) of all establishments agreed both that they have problems with recruiting and that the education system was part of the problem in that it doesn't supply people equipped with the skills they need to start work. Only 16% of establishments agreed that they had skill related recruitment difficulties but did not agree that the supply of skills from the education system was also a challenge for them. A similar proportion of establishments, 13%, had concerns about recruits from the education system, but they did not also report recruitment difficulties. A third (34%) considered neither to be a problem.

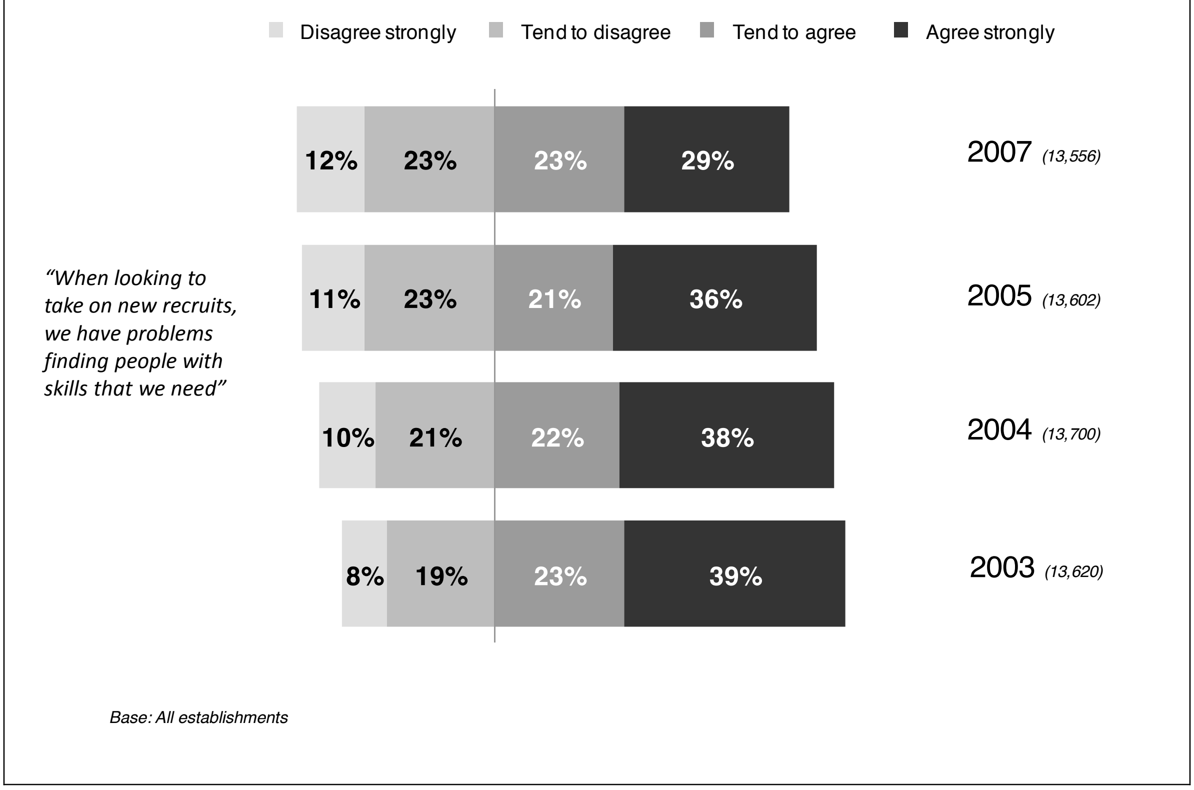
Employers face a wide variety of challenges and problems, and this section considers some of these problems which relate to skill levels within the workforce. The Leitch Review argues that the nature of demographic, technological and global change increases competitive pressures on all sectors of the economy. Government policy is that one of the means to remain competitive is by increasing the skills of the workforce. In light of this wider context, we examine employer's perceptions of the challenges of recruiting employees with the right skills; the ability of the education system to supply potential employees with the right skills; and the difficulties in retaining valued staff.

2.1 Recruitment difficulties

All employers were asked the extent to which they have problems finding people with the skills they need when they are looking to take on new recruits. Around a half (52%) agreed (that is, tended to agree or strongly agreed) that they had problems in finding suitably skilled recruits (see Figure 2.1), with approximately one third tending to disagree or disagreeing strongly.

The proportion of employers having difficulty recruiting staff with the skills they require has continued to decline over the past five years and has fallen by 10 percentage points from 2003 to 2007, from 62% to 52%. Interestingly, the proportion of employers who ***tend to agree*** that finding suitably skilled staff is a problem has been stable through previous waves, with the proportion who strongly agree with the statement accounting for all of the drop of 10 percentage points. The proportion who report that they do **not** have problems in recruiting suitably skilled staff has risen from 27% in 2003 to 35% in 2007.

Figure 2.1: Recruiting staff with the skills needed



Base: All establishments

Difficulties finding suitably skilled new recruits were less of a problem for larger establishments than for smaller ones. Larger establishments were less likely than smaller establishments to agree that they have difficulty in recruiting people with the right skills: only 33% of those with 250 or more employees reported this problem compared to 54% of those with 2 to 4 employees.

Employers in England were less likely than those elsewhere in the UK to describe problems recruiting suitably skilled staff. In Wales, Northern Ireland and Scotland 64%, 60% and 57% respectively have some problems compared to 51% in England.

Private sector establishments were more likely to agree they have difficulties with recruitment due to skills issues than public sector establishments. Just over half of private sector establishments (54%) agreed they have difficulty compared to 40% of public sector establishments and 46% of voluntary sector establishments.

2.2 Education System Skills Supply

One source of new recruits available to employers is the pool of (young) people leaving education. The National Employer Skills Survey (NESS) 2007 reported that in England over a quarter of establishments (27%) consider that new labour market entrants at 16 were poorly prepared for work, 21% that 17 to 18 year old new labour market entrants were poorly prepared and 10% that HE graduates were (LSC, 2008). This pattern was mirrored in Skills in Scotland 2006 where 34% of ‘school leavers’, 20% of ‘FE leavers’ and 13% of ‘HE graduates’ were considered unprepared for work[2] (FSS, 2006).

In order to further examine the extent of this problem, all employers in the current survey were asked the extent to which they agreed or disagreed that *the education system does not supply enough people who are equipped with the skills they need to start working with us.* Half of establishments (50%) agreed (either tended to agree or agreed strongly) that the education system does not supply enough skilled people; just over a third (36%) disagreed. These figures have remained relatively consistent from 2003 through to 2007 (see Figure 2.2).

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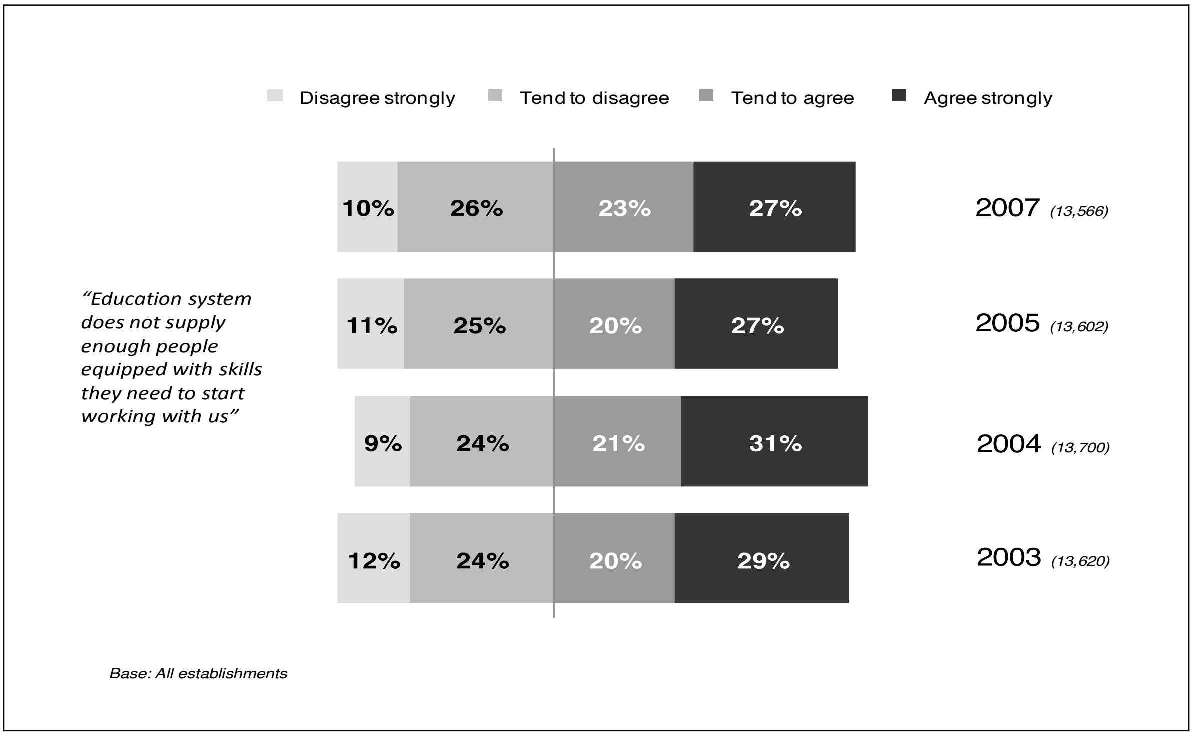
[2] Comparable data are not available for Northern Ireland or Wales.

Figure 2.2: Supply of skills through the education system



Just as smaller employers were more likely to face difficulties sourcing suitably skilled new recruits, they were also more likely to find the education system lacking in its provision of suitably skilled new entrants to the labour market. Just under half (47%) of the largest establishments (with 250 or more employees) disagreed compared to 28% of the smallest establishments (with between 2 and 4 staff).

Again, private sector establishments (52%) were more likely to agree than public sector (38%) or voluntary sector (41%) establishments.

A different pattern than was evident with general recruitment difficulties emerges, however, when the different countries of the UK are analysed separately. Whilst England stood out in terms of general skill related recruitment difficulties, establishments in Wales did so in terms of the proportion agreeing that the education system does not supply enough prepared recruits. Nearly two thirds (63%) of establishments in Wales agreed compared to compared to half of establishments in England (49%), Scotland (48%), and Northern Ireland (50%).

In overall terms, across the UK, nearly two fifths (37%) of all establishments agreed both that they had problems with recruiting **and** that the education system was part or the problem (that is, they agreed to both statements). Only 16% of establishments had recruitment difficulties but did not see the supply of skilled recruits out of education as inadequate. Slightly fewer (13%) had reservations about the calibre of recruits out of the education system, but had not themselves experienced difficulties in recruiting. A third of establishments (34%) considered neither to be a problem – that is they had no difficulties recruiting suitably skilled recruits nor did they question the calibre of new recruits leaving education into their first full-time job.

2.3 Retention – Retaining Valued Staff

Skills challenges are faced internally as well as when recruiting. The employer skills surveys carried out in each of the countries of the UK over the last few years have consistently shown that a key cause of establishments having skill gaps is where staff are new or inexperienced (in NESS 2007 68% of establishments with skills gaps reported this as a cause of at least some of these gaps, compared to only 28% for the next most important reason). It follows that where there is a high turnover of staff an establishment is more likely to have skills challenges / gaps and face high recruitment and vacancy costs. The CIPD Annual Survey Report *Recruitment, Retention and Turnover* shows that 70% of establishments highlight the loss of staff as having a negative impact on business performance and suggests an average cost of filling a single vacancy of £4,667 and as much as £5,800 when associated labour turnover costs are included) (CIPD, 2008).

It is interesting therefore to consider the extent to which employers experience difficulties holding on to (skilled) staff. All employers were asked the extent to which they agreed or disagreed that holding onto valued staff presented them with a significant problem. Whilst the majority of establishments (63%) do not report difficulties in holding onto valued staff, a significant proportion (28%) do report that the retention of valued staff poses a problem. (This question was not asked in previous waves of this research.)

Surprisingly, and contrary to the problems employers experience in relation to the external supply of skilled labour, there was no clear relationship between problems retaining valued staff and size of establishment. Rather the extent to which employers agreed or disagreed that holding on to valued staff posed them a significant problem was fairly consistent across all sizes of establishments.

Within the UK, establishments in Wales (36%) and Northern Ireland (35%) were more likely to agree that they have difficulty in retaining valued staff than those in England (27%) or Scotland (25%).

The more problems an employer experiences in terms of external skills shortages (that is, recruitment difficulties and problems with the education system), the more likely they are to report difficulties retaining valued staff. Just over a third of employers (37%) reported both difficulties recruiting staff and deficiencies in new recruits coming out of the education system, and two fifths of these (42%) also had problems retaining valued staff – 14 percentage points higher than the national average of 28%. By contrast, only 14% of employers who experienced neither of the external skills challenges agreed that they had problems retaining valued staff.

In conclusion, combined with evidence from other sources, this brief picture suggests decreasing, although in some cases, persistent skill difficulties faced by employers. The combination of difficulties is also of note, since it suggests more entrenched problems for some employers. The following chapter will now go on to consider employer training practices as a potential mechanism of alleviating skill challenges.

3 Training

Chapter Summary

- Just over one third (36%) of establishments have a budget for training expenditure and just under half (48%) reported having a training plan that specifies the type and level of training required for the coming year. Three in ten (28%) establishments engaged in both of these types of business planning and 44% had engaged in neither.
- The use of specific budgets for training expenditure and of training plans is strongly dependent on establishment size.
- Just over three quarters of establishments have funded or arranged training for their employees (77%) and 65% of establishments had done so in the 12 months prior to the survey.
- The use of informal training practices was more common, with around four in five establishments reporting that they used supervision structures to develop the skills of their employees, offered opportunities for staff to spend time learning through watching others and allowed staff to perform tasks that go beyond their strict job role and then provided them with feedback on performance.
- More than six in ten establishments (62%) reported disruption of work patterns and over half reported financial cost to be barriers to investing in training.
- Just under three quarters of establishments (72%) felt that they were confident about knowing where to go outside of their organisation for help and advice on skills and training issues.
- In terms of awareness of organisations to approach for training and skills advice, educational institutions and professional and/or industry bodies were the most frequently cited by employers.

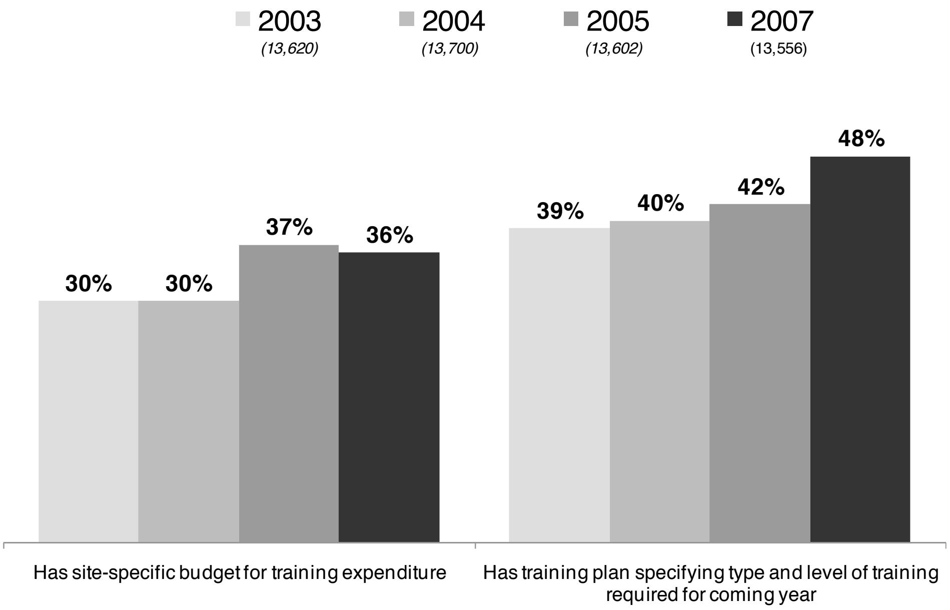
The survey seeks to measure training and workforce development activity amongst employers to gain an understanding of employers’ response to training needs amongst their staff. This chapter examines the extent to which employers plan and budget for training; the levels of training funded by employers; the use of informal training practices; perceived barriers to investing in training; and knowledge of where to seek help and advice.

3.1 Training Planning and Budgets

Employers were asked whether they had a training plan which specified in advance what training employees would receive, and whether there was a site-specific budget for training expenditure.

Around half of establishments had a training plan which specified in advance the type and level of training required for the coming year, although only a third had a budget allocated for this training. Training planning has been steadily increasing over the last 4 years or so, with a particularly large increase over the last two years; budgeting for training is at a similar level to 2005 when it jumped considerably from previously recorded levels (see Figure 3.1).

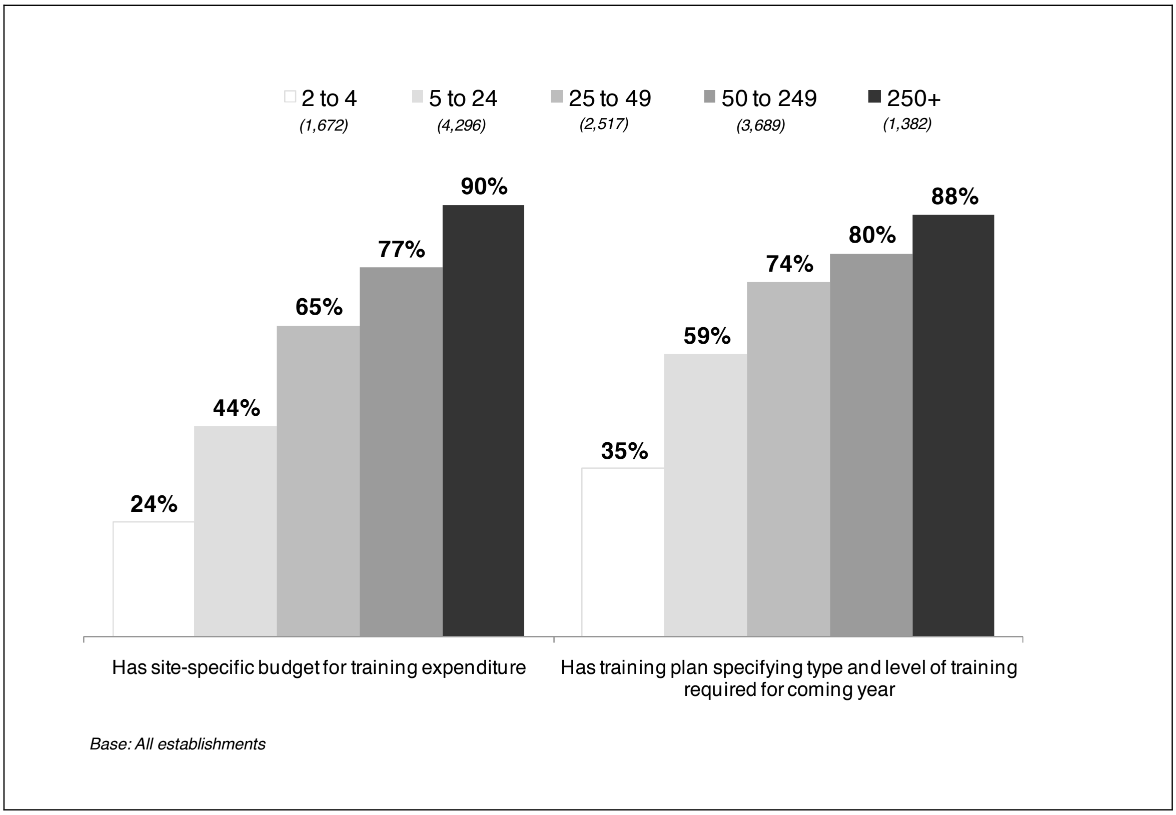
Figure 3.1: Training budgets and training plans, UK, 2003 – 2007



Base: All establishments

The larger the establishment the more likely it was that it had a training plan and/or a budget for training (Figure 3.2). Only one quarter (24%) of the smallest establishments (those with 2 to 4 employees) had specific budgets for training, but this figure rises such that 90% of establishments with 250+ employees have one. A similar pattern is apparent in terms of the use of training plans, although the trend is slightly less pronounced.

Figure 3.2: Training budgets and training plans by establishment size, UK, 2007

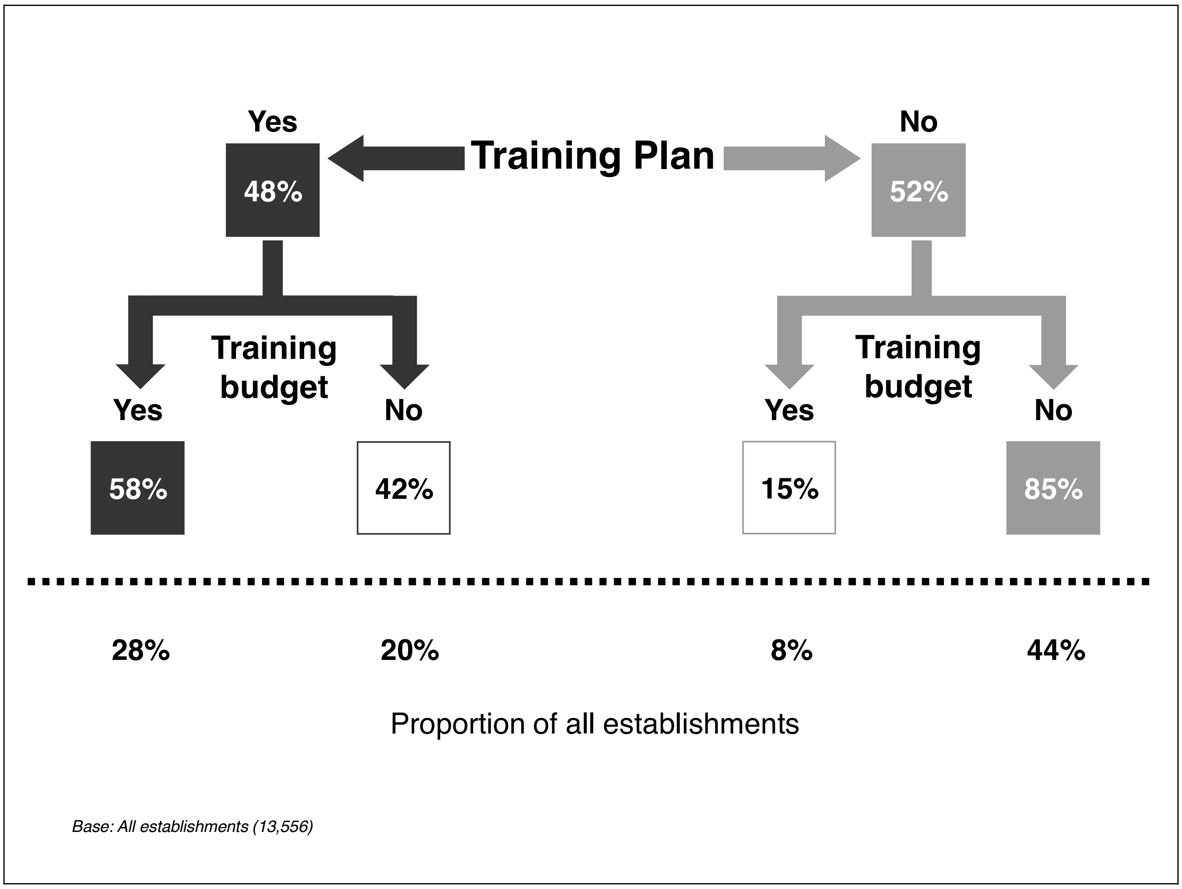


There is little difference in the extent of planning and budgeting for training across the countries of the UK.

There is a higher than average propensity to set budgets and plans for training in the public sector Four fifths (81%) of establishments in the public sector have training budgets with the same number having training plans, compared to 30% and 44% respectively for the private sector and 59% and 61% in the voluntary sector.

Figure 3.3 shows the proportion of establishments who had a training plan and the proportion that did not. It then shows what proportion of those who had a training plan also had a training budget (on the left-hand branch), and then, on the right-hand branch, the proportion of those who did not have a training plan but who did have a training budget, etc.

Figure 3.3: Correlation between training plans and training budgets, 2007


Training Plan
Yes
48%
No
52%
Training budget
Yes
58%
No
42%
Training budget
Yes
15%
No
85%
28%
20%
8%
44%
Proportion of all establishments
Base: All establishments (13,556)

Overall, almost three in ten establishments (28%) have both a training plan in place and a ring-fenced budget for funding this training. On the other hand, one in five establishments have a training plan but no specific budget set aside to meet the cost of the plan. This could therefore compromise these employers' ability to undertake all the intended training. Or alternatively, it could point to these employers' training plans being less detailed and specific, and more likely to fall foul of changing circumstances or needs.

The most common scenario is the one where an establishment neither has a training plan nor budget (44%). As one would expect, relatively few establishments have a training budget but no accompanying plan outlining how it is to be spent – although one in 12 establishments fall into this category.

3.2 Training Levels

Two thirds (65%) of establishments in the UK had funded or arranged **any** training for any employees in the 12 months leading up to the survey. This figure has remained fairly stable across the years although there has been a drop of 4 percentage points since 2005.

As with the use of budgets for training and the use of training plans, the likelihood of funding or arranging training rises with establishment size; whilst only half of the smallest establishments (with 2 to 4 employees) provided training for staff, four fifths of establishments with 5 to 24 employees funded or arranged training, as did over 90% of those with 25 employees or more. Again, this pattern has changed little over time.

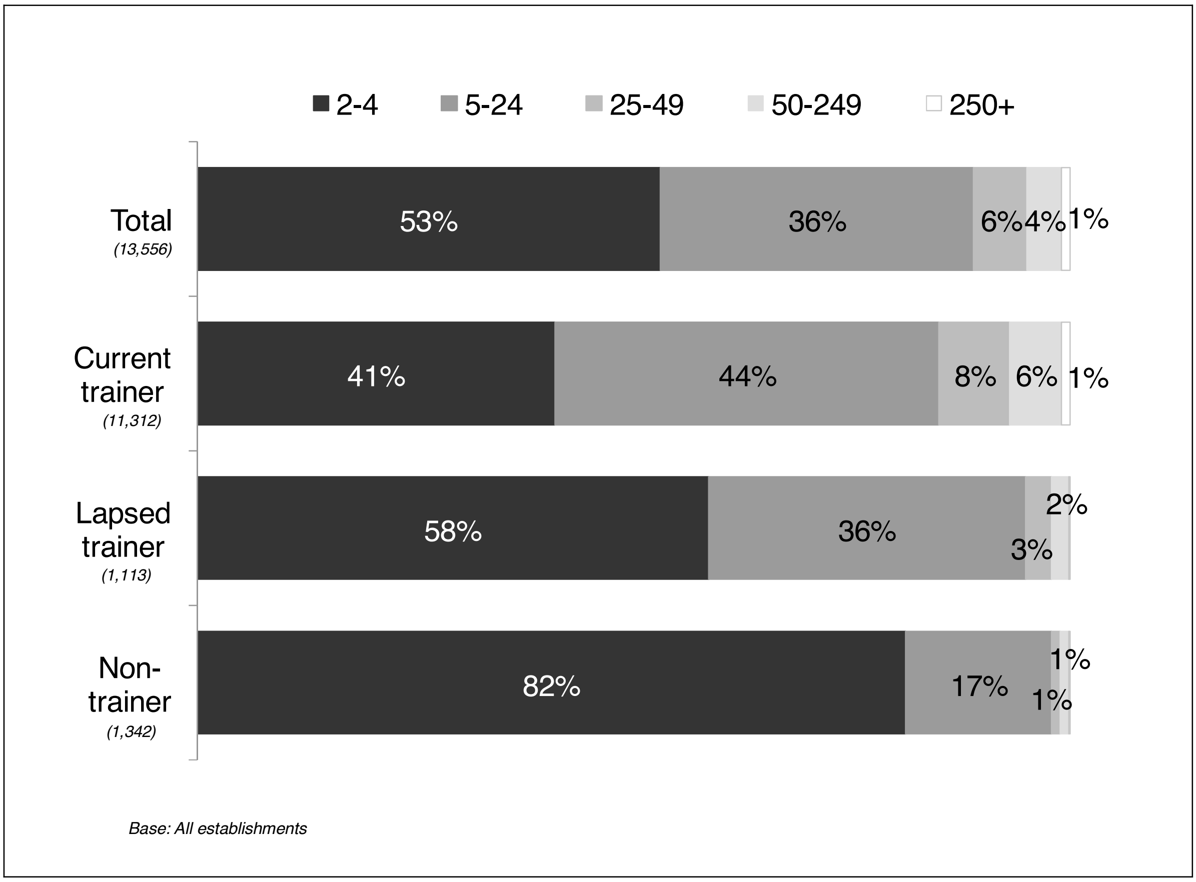
Within the UK, establishments in Northern Ireland (59%) are less likely to have funded or arranged training for their employees in the last 12 months, and establishments in Wales (69%) are comparatively more likely. This pattern is also consistent over time and mirrors what has been seen in employer skills surveys conducted across the four countries of the UK.

Nearly nine in ten public sector establishments in the UK (89%) arranged or funded training compared to 79% of those within the voluntary sector and only 62% of those within the private sector.

One in eight establishments had not funded or arranged training in the previous 12 months (12%) but had done so in the more distant past. The remaining quarter of establishments (23%) had never funded or arranged training.

Figure 3.4 details the profile of training establishments (current trainers), ‘lapsed’ trainers (i.e. which have trained in the more distant past but not in the last 12 months) and non trainers by size and compares these profiles to the overall size distribution of establishments across the UK. This highlights that the vast majority of non-trainers (82%) are small establishments with fewer than 5 employees (compared to only around a half in the UK as a whole). It also shows that lapsed trainers most closely represent the size profile of UK establishments, although slightly fewer of them are in the largest size bands. That is, there does not appear to be a correlation between size and the tendency to lapse in training activity.

Figure 3.4: Training status by size of establishment



Base: All establishments

We look at other differences between current, lapsed and non-trainers in section 3.3 and 3.4.

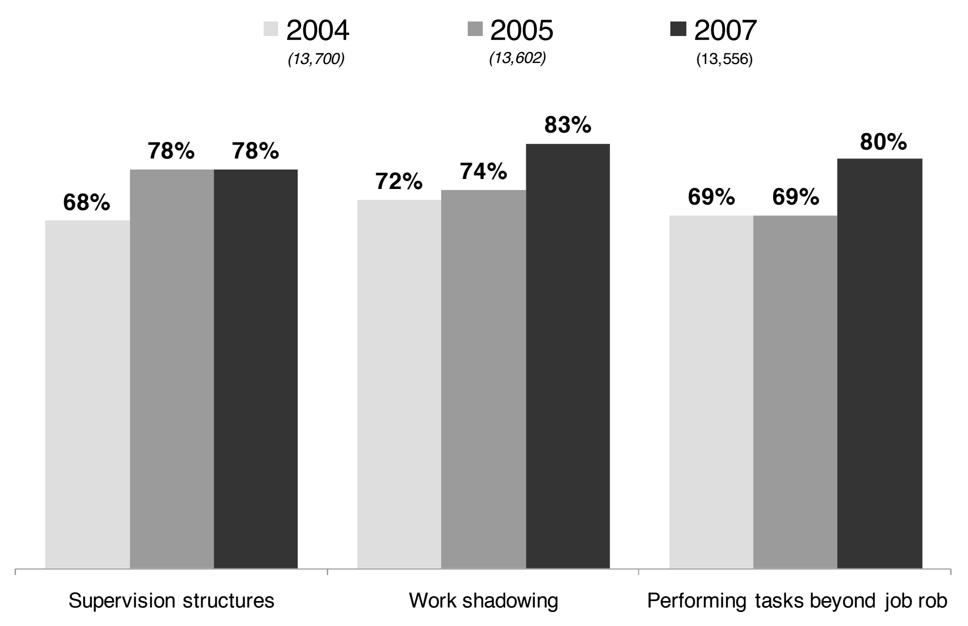
3.3 Informal Training Practices

As well as formal training practices, establishments have other more informal methods at their disposal to help their staff develop skills and capabilities. As such, only considering formal training provides a somewhat restricted picture of the training landscape in the UK economy. It is important, therefore, to examine the role of informal training and supervision amongst employers. To this end employers were asked whether they used any of the following methods/approaches to develop their employees' skills:

- Supervision structures to ensure employees are guided through their job role over time
- Opportunities for staff to spend time learning through watching other staff members perform their job role
- Allowing staff to perform tasks that go beyond their strict job role, and providing them with feedback on how they have done

All of these informal practices are relatively common, with around four in five establishments adopting each of them - 83% provide opportunities for work-shadowing, 80% allow to staff to perform tasks beyond their job role, and 78% provide supervision structures, and only 8% adopt do not adopt any of these practices (see Figure 3.5).

Figure 3.5: Use of informal training practices



Base: All establishments

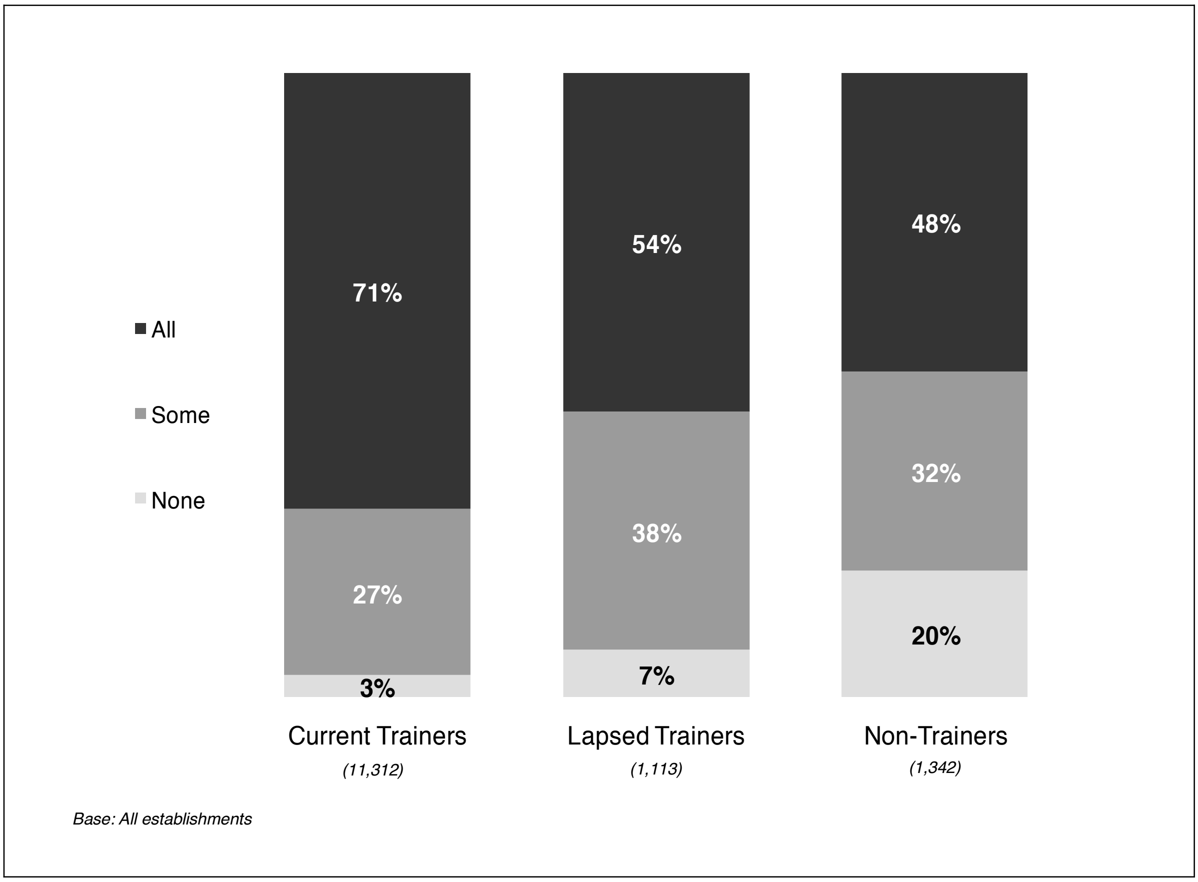
The use of supervision structures has remained constant since the last survey in 2005, while there have been considerable increases in the use of work shadowing and of allowing staff to ‘act up’ (beyond their strict job role) and then providing feedback on their performance.

Smaller employers are considerably less likely than larger employers to adopt any of the informal training practices, although there is evidence that all of the practices are gaining currency with smaller employers at a faster rate than among larger employers.

Overall, three in ten establishments (29%) use these informal training practices but do not fund or arrange formal training. Only 6 per cent of establishments provide neither formal nor informal training opportunities.

Figure 3.6 shows the proportion of current, lapsed and non-trainers who adopt all of the informal training practices, some of them (1 or 2 of them) or none of them.

Figure 3.6: Relationship between formal and informal training practices



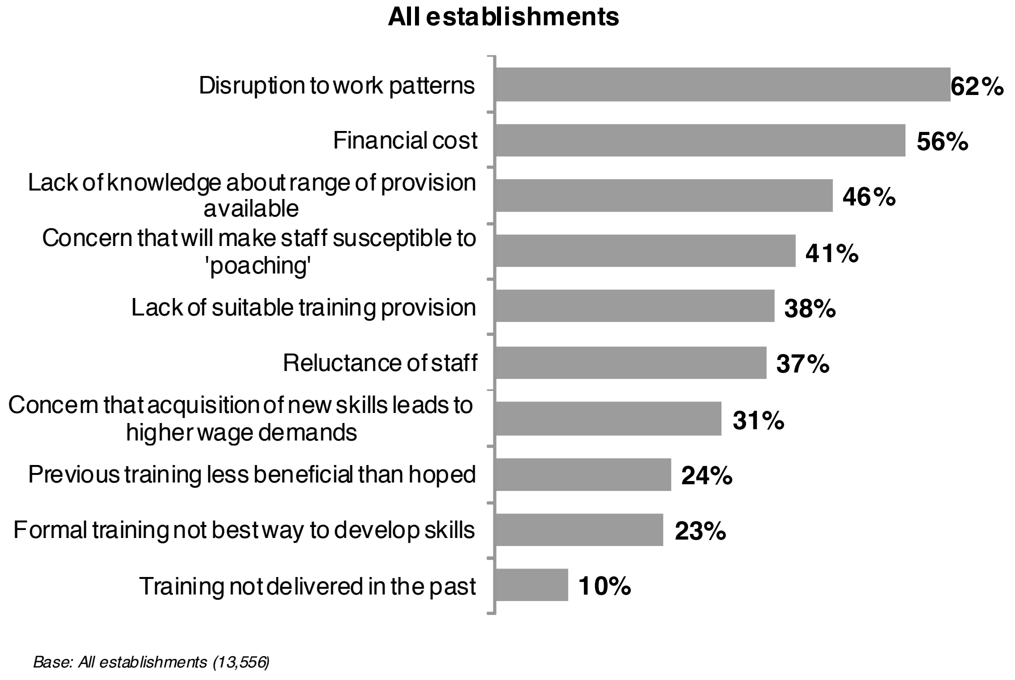
Base: All establishments

Interestingly, establishments who provide formal training are more likely to adopt these informal practices, and those who have never funded or arranged formal training are least likely to adopt informal training practices. That is, informal training practices are adopted to complement more formal training, rather than as an alternative.

3.4 Barriers to Training

All employers were asked what barriers they felt prevented them from funding or arranging (more) training for their employees. The list adopted in the survey reflects, as far as possible in a survey like this, market imperfections and failures which are commonly reported in the literature. They range from micro barriers that deter organisations from investing in training, to information failure and to consideration of potential policy imperfection in terms of the supply of training.

Figure 3.7: Barriers to (further) training



Base: All establishments (13,556)

Figure 3.7 shows that micro barriers are dominant in the survey, with disruption to work patterns and the financial cost of training being the principal barriers (reported as potential barriers by 62% and 56% of establishments respectively). Such barriers suggest a short-term approach where decisions taken about training potentially downplay the longer term benefits. Businesses may be especially focussed in this way in uncertain economic and labour market circumstances (Keep, 2006). The next most commonly cited barrier (acknowledged by almost half of establishments) is a lack of knowledge about the range of provision available, suggesting employers may be keen to know more about training but are unable to access the information they need.

A concern that training will lead to poaching of trained staff from competitors is cited by 41% of all establishments. It is worth noting that this is phrased as a 'concern' rather than an experience, as it is the fear of poaching which is often cited as a barrier to training. The findings here suggest it remains a real concern of employers, despite evidence that training actually improves staff retention.[3] This is much less likely to be cited by establishments in the public sector (18%) than in the voluntary (33%) or private sectors (44%).

The lack of availability of suitable training was cited as a barrier by 38% of establishments and whilst public sector establishments were again less likely to cite this than private sector establishments, the contrast is less stark than for poaching (33% compared to 39%). For many establishments this may be closely associated with location, especially for those who source training locally, and this warrants further investigation. This barrier is more prevalent in Northern Ireland where 49% of establishments report lack of suitable training provision as a barrier to training.

Just behind supply issues is a barrier associated with the reluctance of staff to train (37% of establishments). This is more commonly cited amongst public sector establishments. We will return to this issue, which is more important as a barrier to VQ training, in section 6.

Around a quarter (24%) of establishments report that training has not delivered expected results in the past and that this deters them from training. A similar proportion considered that formal training is not the best way to develop skills (23%). Just 10% say that they have never provided training before. This was much more prevalent amongst the smallest establishments.

All barriers to training were most prevalent amongst the smallest establishments (with two to four employees) with the likelihood of each factor being a barrier trailing off as the size of the establishment increases. There are two exceptions to this: the proportion of establishments which considered the reluctance of staff to take up training opportunities to be a barrier to training, and the proportion which were disappointed by the results of previous training appeared to have no relationship with the size of establishment.

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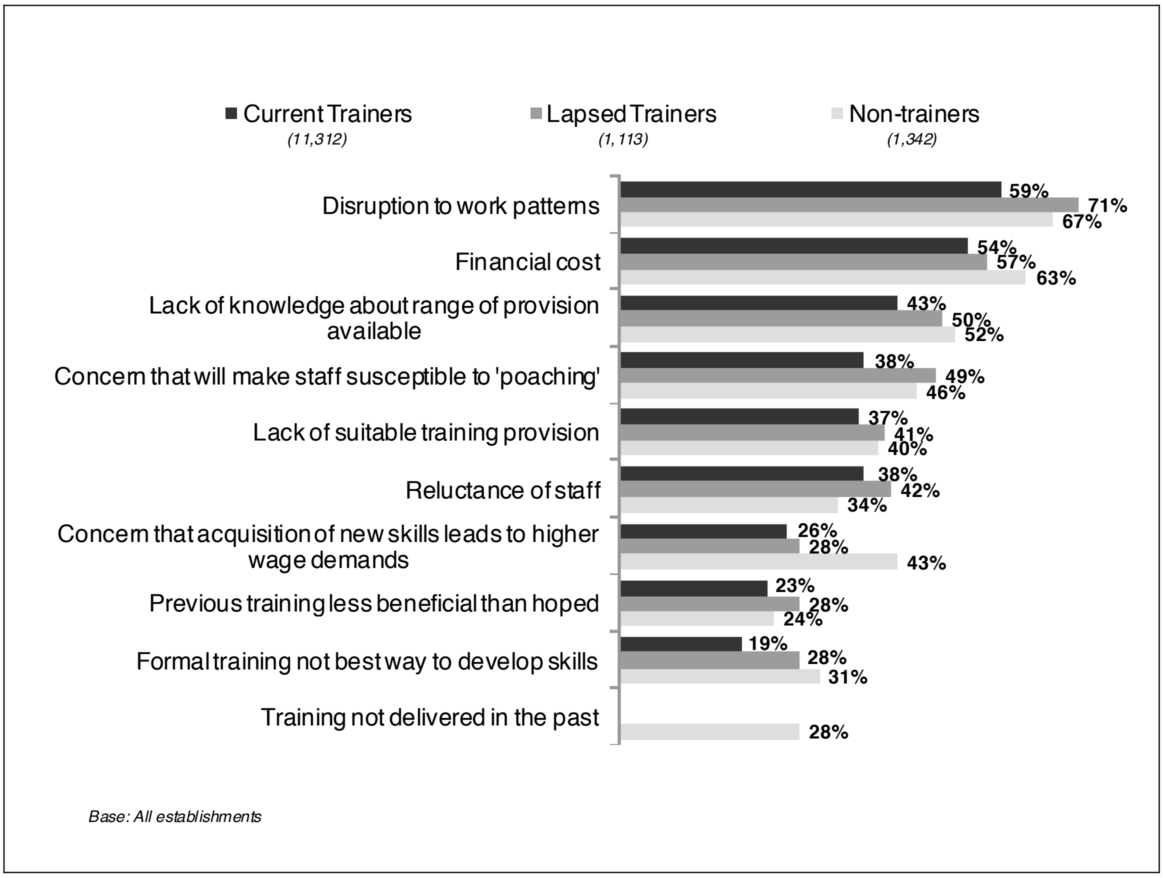
[3] Figure 6.8 demonstrates that 61% of employers consider that providing VQs to members of staff improves staff retention.

Whilst employers in the private sector were generally more likely to perceive barriers than those in the public or voluntary sectors, there were exceptions. For example, the financial cost of training is most likely to be reported as a barrier by voluntary sector organisations and least likely by establishments in the private sector (voluntary sector 79%; private sector 54%; and public sector 62%). Furthermore, public sector establishments were more likely to say that staff were reluctant to be trained (42%) than private sector establishments (37%).

Figure 3.8 seeks to shed further light on these barriers by assessing the extent to which they are more or less likely to be reported by establishments which currently train as opposed to those which have trained in the past but not now (lapsed trainers) or those which do not and have never trained (non trainers).

Figure 3.8: Barriers to (further) training by training status



The hierarchy of barriers is fairly consistent whatever the training status of the employer, and for all three groups the order of the four main barriers is broadly the same, with the majority of employers agreeing that the disruption that training causes to work patterns and the financial costs of funding or arranging it are barriers.

Current trainers are generally less likely to cite all of the barriers than lapsed or non-trainers. The exception to this is that non-trainers are least likely to cite the reluctance of staff as a barrier – that is, those employers who have experience of training staff are more likely to perceive that (some) employees are resistant to training.

Non-trainers are particularly likely to cite the financial costs of training and concerns that training might lead to higher wage demands as a barrier to their funding or arranging training. Lapsed trainers are more likely to cite disruption to work patterns as a barrier.

As many as 23% of current trainers state that the training they have delivered in the past has not delivered the benefits they expected, a high proportion if compared to the 28% of lapsed trainers who give this reason as a barrier to training.

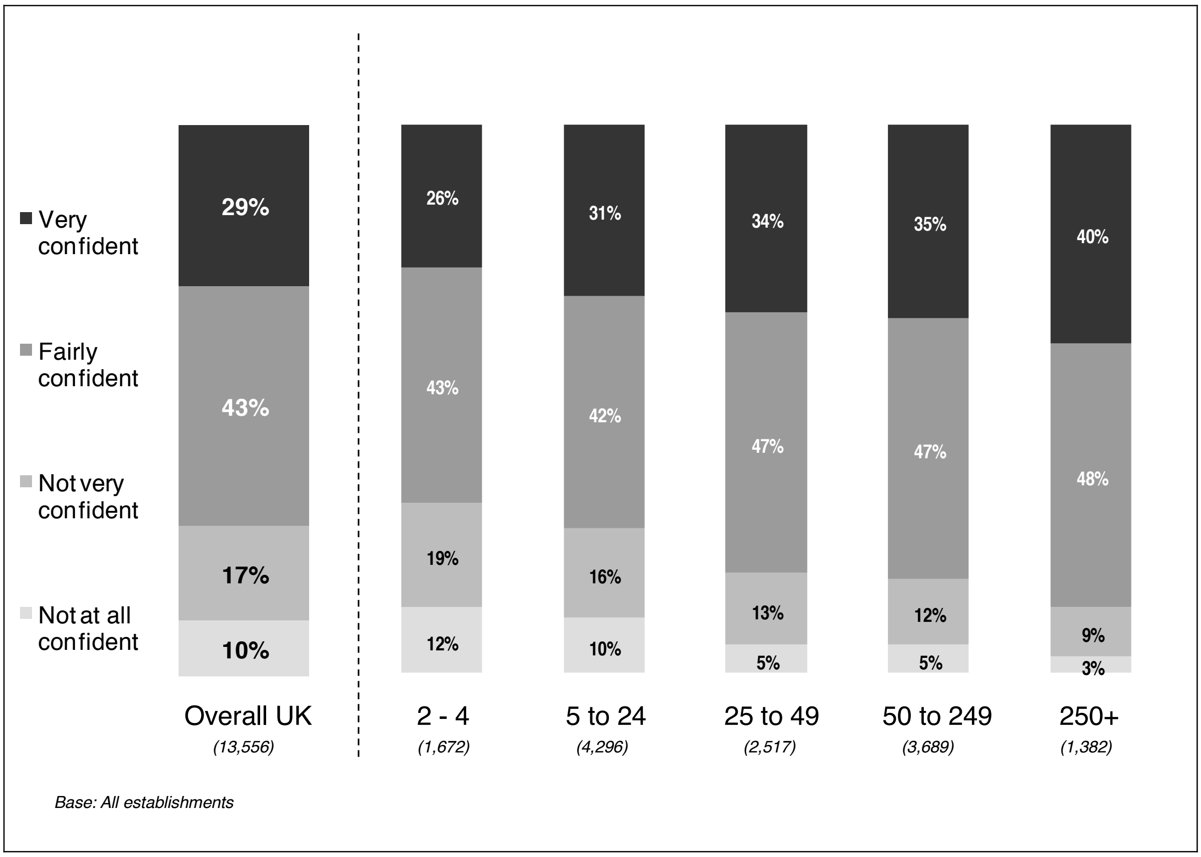
Similarly, one in five current trainers (19%) believes formal training is not the best way to develop skills, with this belief inhibiting the provision of further training to staff. This barrier was cited by 28% of lapsed trainers and 31% of non-trainers.

3.5 Access to Help and Advice

As we have seen, lack of knowledge about available provision is an important barrier to employers funding or arranging (more) training for their employees. To address these information difficulties a number of organisations seek to provide advice to employers about their skills and training options. The survey also explored how confident employers were about whom to approach (outside of their organisation) to access help and advice on skills and training related issues, as well as which organisation(s) they would approach for advice and help and their overall (unprompted) awareness of business support organisations.

All employers were asked how confident they would be in knowing whom to approach for information and advice about skills or training related issues. Results are presented in Figure 3.9.

Figure 3.9: Confidence in knowing whom to approach for information or advice by size of establishment



Base: All establishments

Just short of three quarters of establishments (72%) felt that they were confident (either fairly or very) about knowing where to go outside of their organisation for help and advice on skills and training issues. This has risen slightly from 67% in 2003 through to 72% in 2007. Confidence in knowing where to go for help and advice rises with establishment size from 69% amongst the smallest establishments (2 to 4 employees) to 88% amongst the largest (250 or more employees).

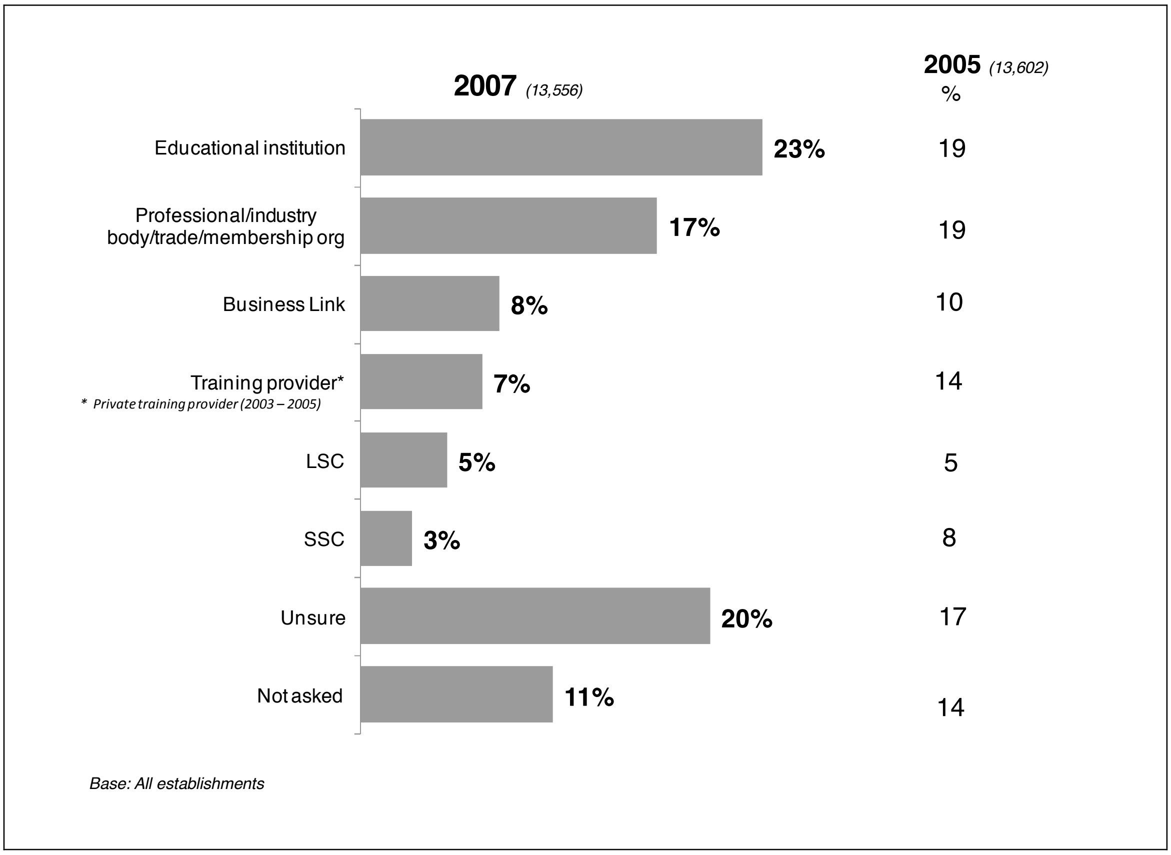
There was some difference within the constituent nations of the UK, with establishments in Northern Ireland being most confident of whom to approach (78%) and those in Wales being the least likely (68%).

Those in the private sector were least likely to feel confident (70%), with public sector establishments being most likely (83%), and voluntary sector establishments falling in between (77%).

3.5.1 Organisations that establishments approach for information or advice

Those establishments who had some idea of who to approach[4] were asked to list, unprompted, those organisations they would approach for help and advice on training. Please note that these results should be treated with some caution, as they compare individual, specific organisations such as the Learning and Skills Council (LSC), SSC and Business Link as well as *types* of organisation, such as educational institutions. Results are shown in Figure 3.10.

Figure 3.10: Organisations establishments would approach for information or advice



The two most frequently cited ‘organisations’ were educational institutions and professional and/or industry bodies reported by 23% and 17% of all establishments respectively. These have also been the most widely mentioned in previous waves of research. No other organisations or types of organisation were mentioned by more than 8% of respondents, and only 3 were mentioned by 5% or more: Business Link (8%), a training provider (7%), or the LSC (5%).

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[4] That is, all except those who were not at all confident

One fifth were unsure what organisation they would approach, despite saying they had some confidence in knowing who to approach[5]. If these are combined with those who were not asked the question because they had already said that they were not at all confident they would know whom to approach, this gives around a third of establishments who would have little or no idea which organisations to turn to for help on training issues.

3.5.2 Overall awareness of business support organisations

As well as ascertaining which organisations or types of organisation employers would approach, all employers were asked to list, again unprompted, all those organisations that they were aware of that provided help and advice on skills or training-related issues, regardless of whether or not they would approach them. Again, these results should be treated with some caution, as they compare individual, specific organisations such as the Learning and Skills Council (LSC), SSC and Business Link as well as *types* of organisation, such as educational institutions. Results are shown in Figure 3.11 overleaf.

Again, educational institutions were the most frequently cited type of organisation and were mentioned by just under one third of establishments. Professional and/or industry bodies were the next most frequently cited organisation, mentioned by 22% of establishments. A further 22% reported that they were unsure.

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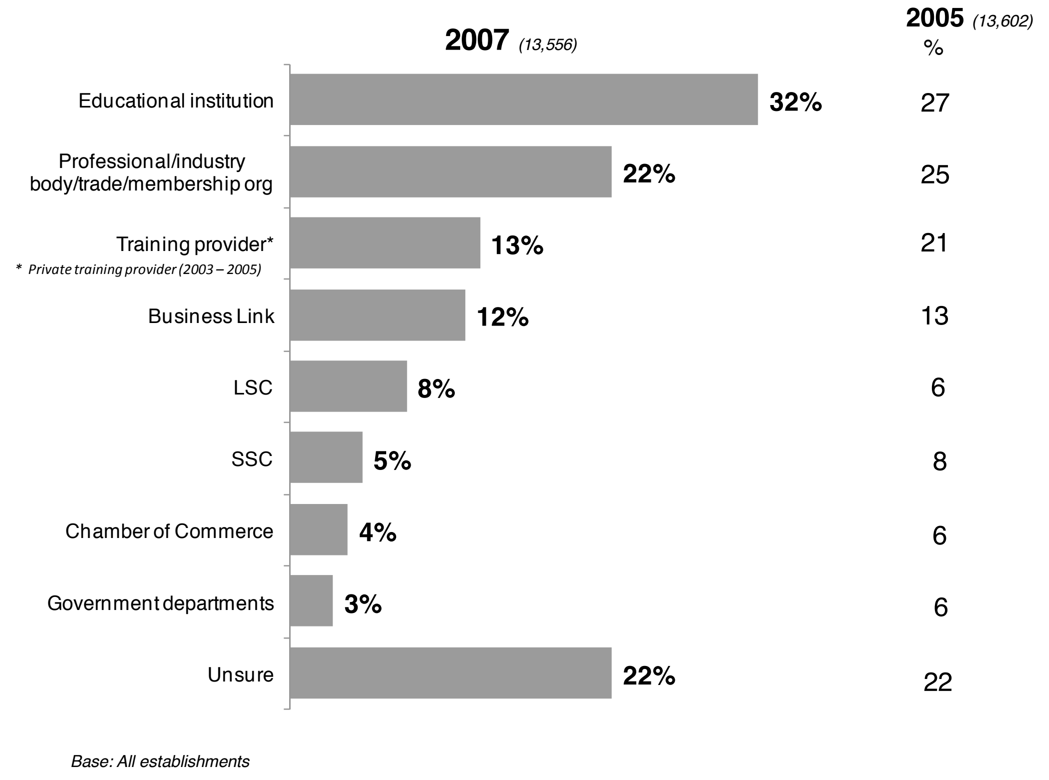
[5] This figure is, however, only slightly higher than the 17% who said they were not very confident about whom to approach for advice.

Figure 3.11: Overall awareness of business support organisations



Base: All establishments

In conclusion, the evidence in this chapter has shown that most employers are adopting practices to develop the skills of their workforce, whether formally or informally, and that there appears to be increasing prevalence of informal practices in particular. There is also increasing sophistication of planning for training (setting budgets and developing plans). Progress appears to have been made as to the benefits of training. Relatively few employers cite a belief that (formal) training is not the best way to develop skills or that past training has not delivered the required outcomes as barriers to providing (more) training, compared to the proportion who see barriers in the logistics of providing training and in the implications for the smooth running (and running costs) of the business. But pockets of lack of provision remain – especially amongst smaller establishments. In the next chapter we explores the other High Performance Working Practices that employers adopt alongside (or instead of) training activity, and how these link to business strategies.

4 High Performance Working Practices

Chapter Summary

- 30% of establishments can be classified as engaging in high performance working practices (HPWP). These establishments are far less likely to be very small in terms of numbers employed than the average and are far more likely to operate within the public sector than the private. There has been little change in the proportion of High Performance Working Practice employers over time.
- Considering the practices within the framework of Tamkin's 4 A's model, employers are most likely to adopt practices associated with the development of employees' abilities, with most employers doing something in the domain. It is far less common for employers to adopt the practices focused on attitude and application.
- Employers are increasingly likely to adopt practices designed to develop ability within their workforce, but there has been less change in the adoption of practices focused on the deployment of this ability and these attitudes.
- Larger employers and/or those in the public sector are most likely to adopt most of the high performance working practices. The exceptions are in the area of application. In particular, private sector establishments are more likely than public sector ones to reward employees in relation to overall company performance and/or individual performance. There is also less of a correlation between size of establishment and the propensity to adopt these reward and remuneration strategies than there is with the other practices.
- Seven in ten establishments (69%) agree that their HR strategy is closely linked with their overall business strategy with this statement and one fifth disagree. This has changed little since the last survey.

4.1 Introduction

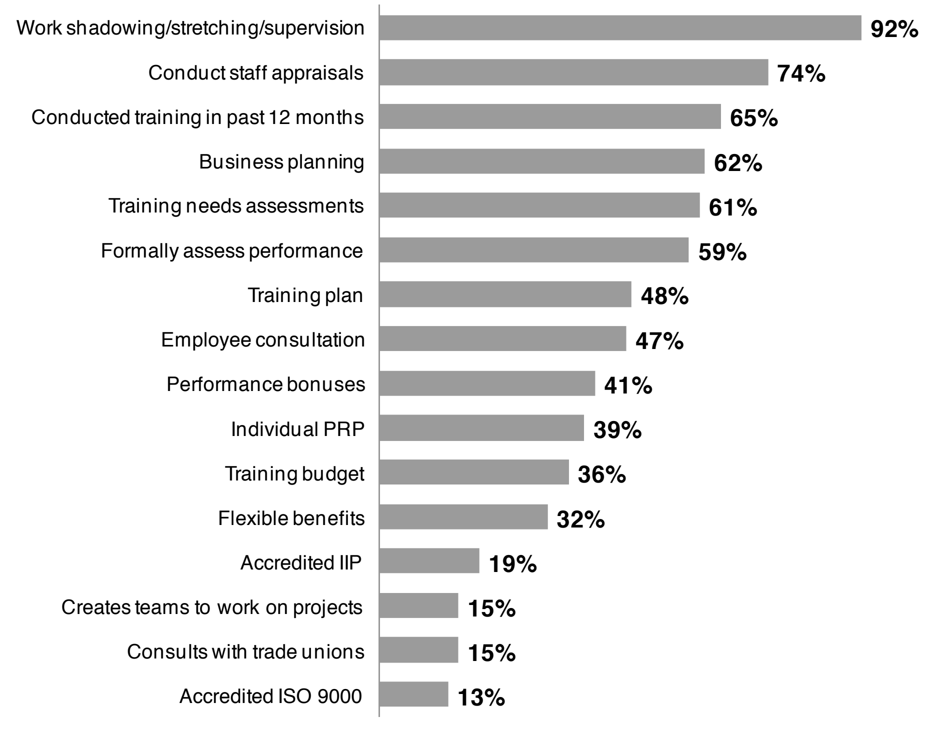
This chapter examines the organisational practices employers adopt to help them absorb training and skills amongst their workforce, referred to as High Performance Working Practices (HPWP). The "obvious" practices are training (formal and informal) and planning for training which we looked at in the previous chapter. Here we return to these training practices, and consider them alongside twelve others which were explored in the survey questionnaire, as follows:

Training plan	Business Plan
Training budget	Creates teams to work on projects
Training needs assessment	Individual Performance Related Pay
Conduct staff appraisals	Flexible benefits
Formally assess performance	Accredited IIP
Conducted training in past 12 months	Accredited ISO 9000
Work shadowing / stretching / supervision	Performance bonuses
Employee consultation	Consults with trade unions

4.2 High Performance Working Practices (HPWP)

Figure 4.1 shows the proportion of all establishments which adopt each of the 16 high performance working practices measured in the survey.

Figure 4.1: HPWP amongst all establishments



Base: All establishments (13,556)

As we have already seen, the vast majority of establishments offer at least one of the informal training practices (work shadowing, “stretching” or supervision structures) and this is by far and away the most common are of High Performance Working Practice, with 92% of all establishments adopting it. A very large majority (also) conduct appraisals of their staff (74%), and these are considerably more common than (formal) training, which as we have already seen is something that around two-thirds of establishments have funded or arranged in the recent past (65%). Slightly fewer – but still a comfortable majority – have a business plan (62%), and/or conduct training needs assessments and/or formally assess the performance of staff (59%).

Below these practices, which are pursued by the majority of establishments, “planning for training” and “consulting with employees” are adopted by around a half of establishments.

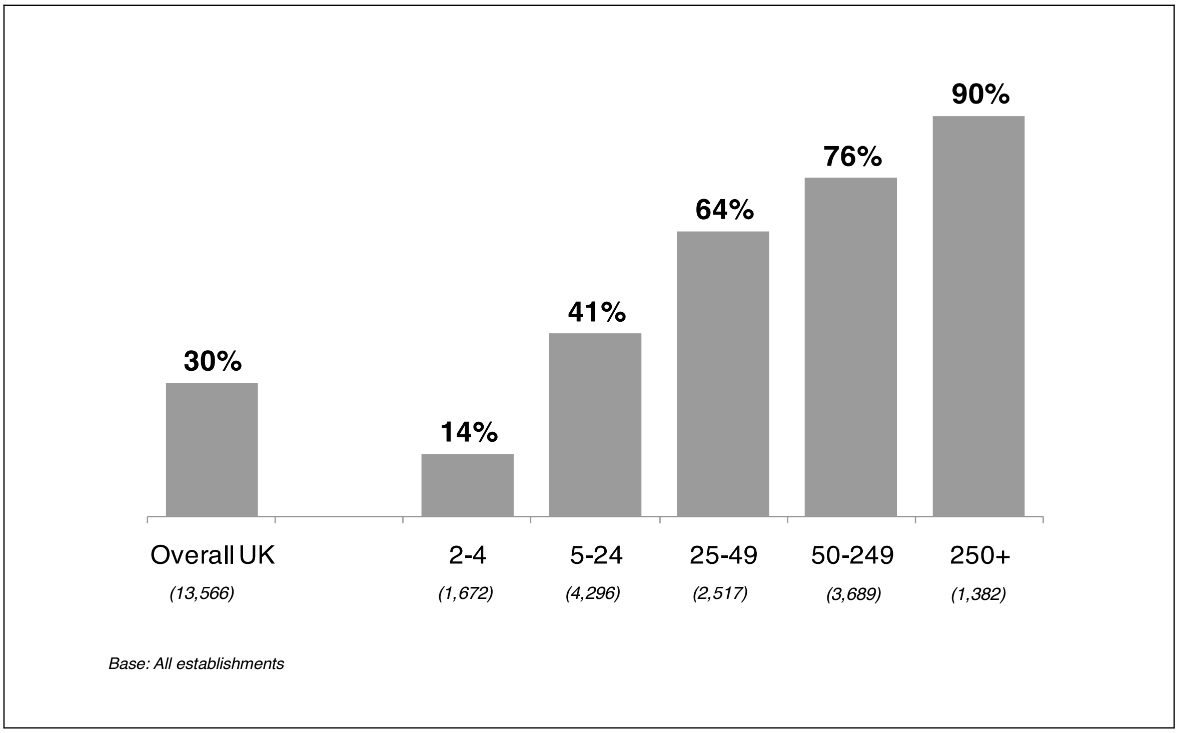
The remainder of the practices fall into two groups:

- Between a third and two fifths of establishments employ performance bonuses, individual performance related pay, the setting of a training budget and/or the offer of flexible benefits;
- Less commonly, between one in twelve and on in five have IiP accreditation, create teams to work on specific projects, consult with trade unions and/or have achieved ISO 9000 accreditation, making these minority High Performance Working Practices.

To assess the extent to which establishments can generally be thought of as adopting high performance working practices, a measure of any 10 of the 16 is taken. The logic here is that it is not always appropriate for businesses of all size and in all sectors to be adopting all of the practices, and so an assessment has been made that 10 would be a reasonable benchmark measure to signify those closer to high performance working practices. Three in ten establishments (30%) can be classified as engaging in HPWP using this measure, in line with the survey findings in previous years.

Establishments adopting 10 or more of the identified working practices are far less likely to be very small in terms of numbers employed than the average. Just 14% of those with 2-4 employees adopt at least 10 of 16 HPWP measures compared to 90% of the largest establishments (250+ employees), as shown in Figure 4.2.

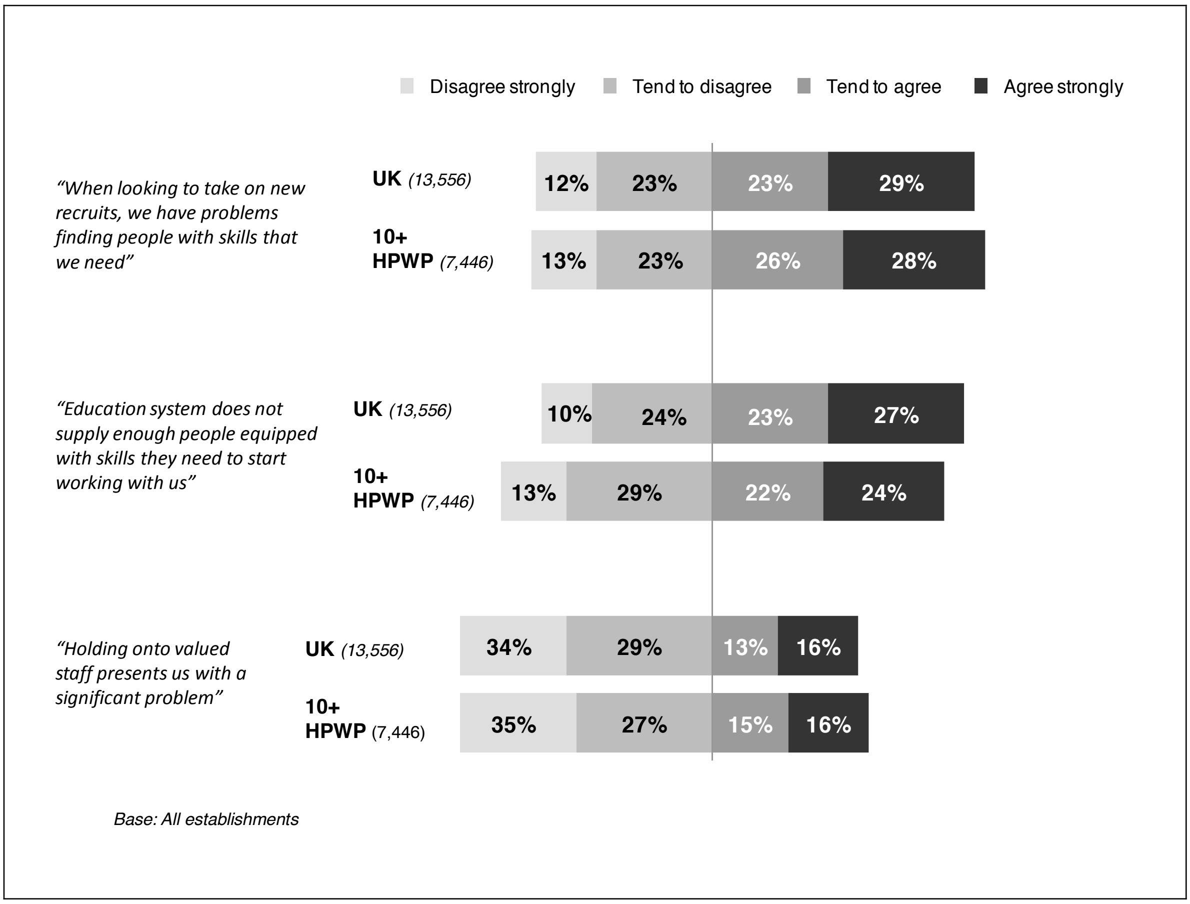
Figure 4.2: Establishments with 10 or more HPWP by establishment size



Public sector establishments are most likely to adopt HPWP measures. Seven in ten public sector establishments (71%) are HPWP establishments, compared to only a quarter of private sector establishments (25%).

Perhaps surprisingly, HPWP establishments are no less likely to have problems in finding recruits with the correct skills or holding onto valued members of staff than the average for all establishments (Figure 4.3). That is, adopting high performance working practices does not alone appear to make it less likely that staff will want to leave or to make it easier to find new skilled staff. HPWP establishments are – on the other hand - more likely to disagree that the education system does not provide people with the skills required on job entry (42% of HPWP compared to 34% of all establishments). It is not clear from the survey data whether this is because they have lower expectations, or because they have lower demand for skills because of a greater ability to develop them themselves, or for some other reason.

Figure 4.3: Relationship between Skills Challenges and HPWP uptake



Base: All establishments

4.3 Working Practices and the 4 A's Model

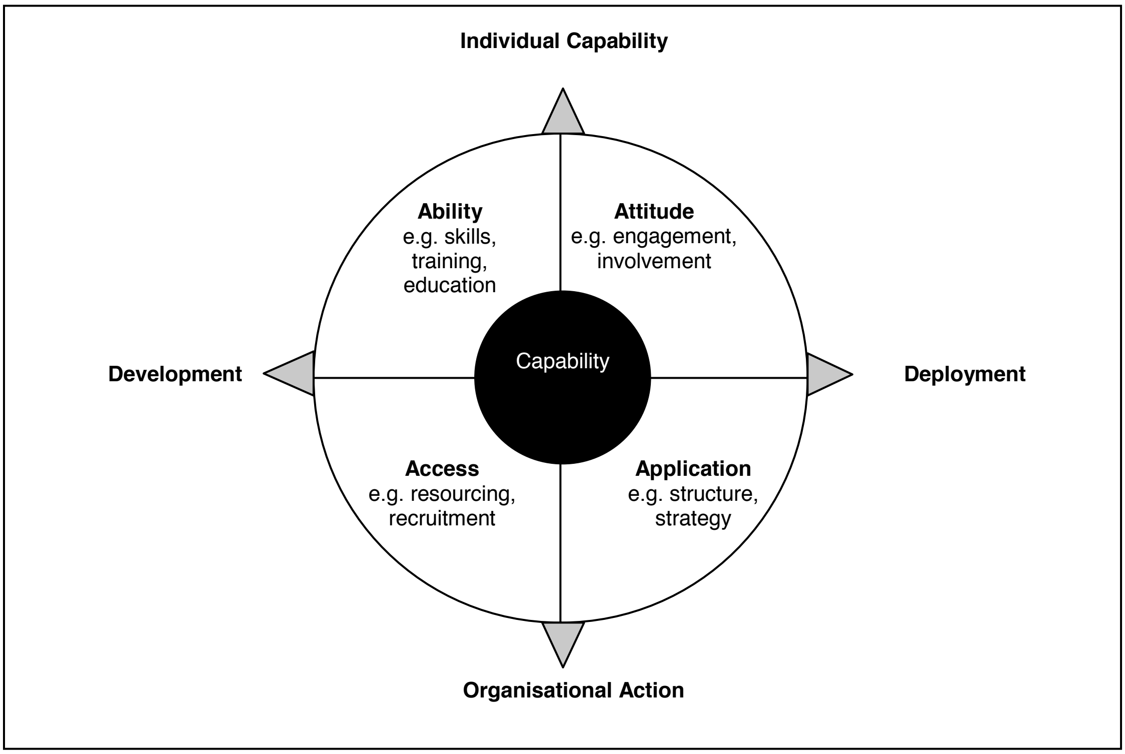
Having considered the individual measures of high performance working, the analysis now moves on to consider the 16 working practices in terms of all establishments surveyed in the context of the 4 A's model. The 4 A's model developed by Tamkin (2005) considers how a range of inputs such as skills, qualifications and training affect human and organisational capability. The model, shown in Figure 4.4, categorises high performance working practices around 4 quadrants which are:

- Access: the effective resourcing of roles in the organisation
- Ability: the skills of the workforce
- Attitude: workplace attributes such as the engagement, motivation and morale of the workforce
- Application: the opportunities available to ensure skills and motivation are effectively applied.

The model also reflects the interaction between individual capability and organisational action (the top and bottom of the model) and between development of skills and deployment of skills (left and right). Thus, 'Ability' largely reflects the development of individual capability, whilst 'Access' reflects organisational action through policies and procedures. 'Attitude' reflects individual engagement in the company and deployment of their skills within the workforce and 'Application' reflects how the organisation applies itself to absorb the skills of the workforce.

Many of the measures in the survey were first incorporated in 2004, to help inform an early iteration of the model. However, a survey of this kind cannot capture all high performance working practices and in this survey we have only captured information about Ability, Application and Attitude but not Access. Nevertheless, the measures we have can provide some valuable information about the adoption of high performance work practices in UK business establishments and the analysis below will report on three parts of the model: ability, attitude and application.

Figure 4.4: 4 A's model of capability


Individual Capability
Ability
e.g. skills, training, education
Attitude
e.g. engagement, involvement
Development
Capability
Deployment
Access
e.g. resourcing, recruitment
Application
e.g. structure, strategy
Organisational Action

Source: IES, 2005

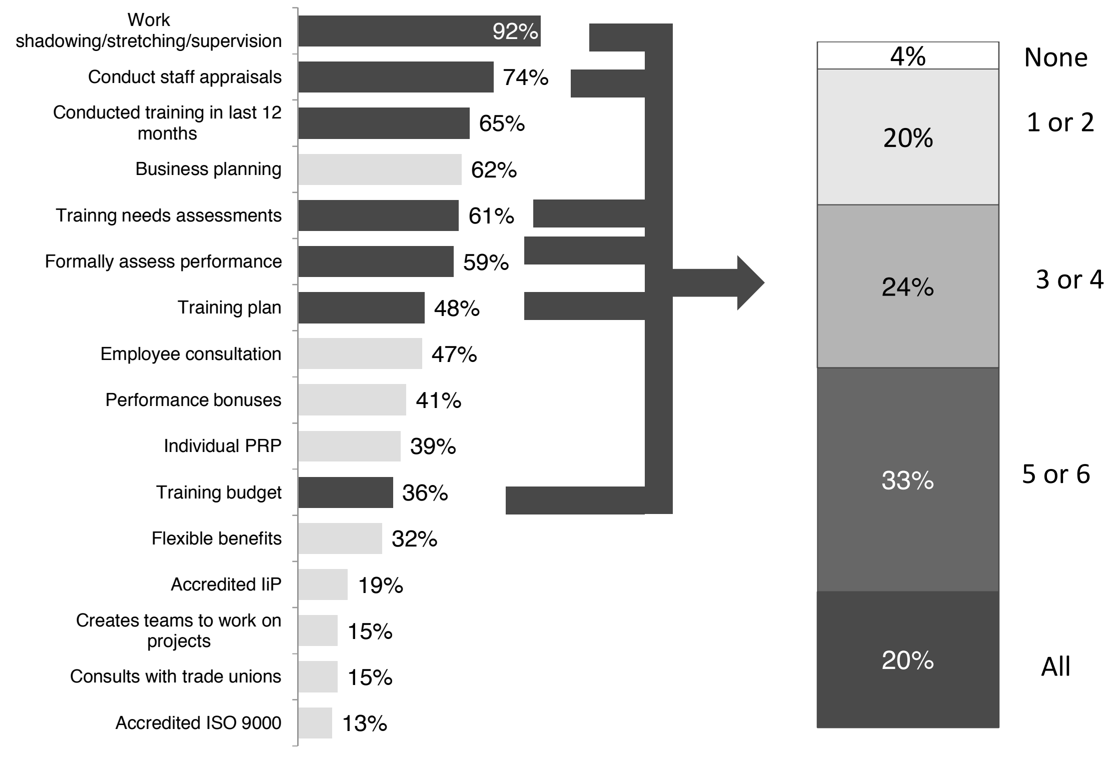
4.3.1 Ability

Ability encompasses “the existence and development of talent” and is increased through “the process and practice of training, mentoring, coaching, internal and external courses, informal and formal means of development. It includes deliberate attempts to improve capability through planned job moves, experiential learning opportunities and measures of the skill levels of the workforce” (Tamkin, 2005). Ability is measured in this survey by the following variables:

- Training plan
- Training budget
- Conducts training needs assessments
- Conducts staff appraisals
- Formally assesses performance
- Conducted training in the past 12 months
- Conducted any work shadowing/ stretching/ supervision structure

Figure 4.5 shows the proportion of all establishments which adopt each of these practices (the left hand side of the chart, which replicates figure 5.1) and also shows the number of the practices designed to build on the ability of the workforce that each establishment employs (the right hand side of the chart, which shows the proportion of establishments employing all seven of the practices, 5 or 6 of them, 3 or 4 of them, 1 or 2 of them and none of them.

Figure 4.5: Establishments' adoption of High Performance Working Practices designed to build on the ability of their workforce



Base: All establishments (13,556)

This analysis highlights that the majority of establishments adopt most of the "ability practices" explored in the survey (half (53%) adopt at least 5 of the seven practices or measures.

Establishments are doing more now to develop the ability of their workforce through all of these practices than in previous surveys with the exceptions of budgeting for training expenditure (which has remained constant after a large increase between 2004 and 2005) and funding or arranging training (which has dropped slightly).

As has consistently been the case, larger establishments are considerably more likely to develop the skills of their workforce through all of these practices than are their smaller counterparts, and public sector establishments are more likely than those in the private or voluntary sectors.

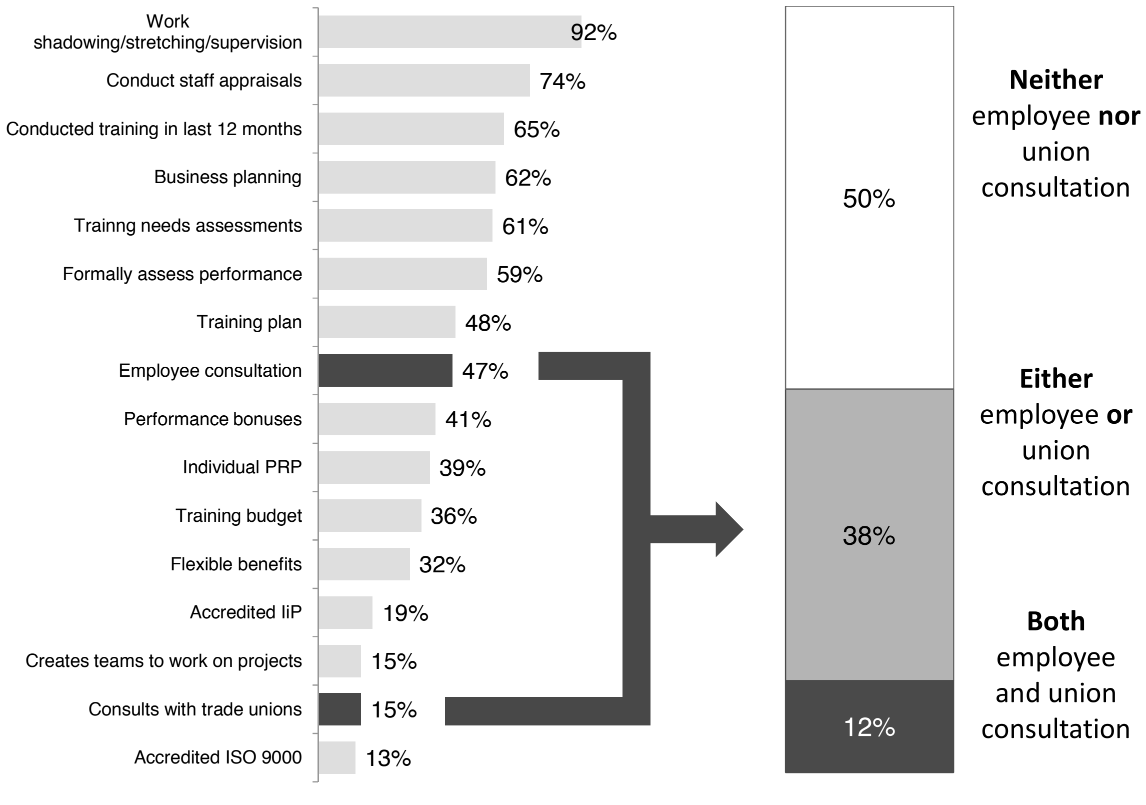
4.3.2 Attitude

Attitude encompasses the motivational and psychological side of capability, and recognises that ability alone is not enough to deliver high levels of performance. Rather this needs individuals to deliver of their best within the organisations they work for, and this in turn requires a mutual engagement between the organisation and its workers. Attitude is measured in this survey by the following variables:

- Employee consultation
- Consults with trade unions

Figure 4.6 uses a similar format to figure 4.5, with the bar chart on the left-hand side showing the proportion of establishments adopting each of the high performance working practices, and highlighting (through the darker bars) the proportions adopting the two "attitudinal practices", and the column to the left showing how these practices are adopted in combination.

Figure 4.6: Establishments' adoption of High Performance Working Practices designed to build on the attitude of their workforce



Base: All establishments (13,556)

This analysis highlights that while practices which impact on the attitudes of the workforce are less common than those focused on the workforce's ability, they are nonetheless relatively common, with half of employers having adopted one or both of the practices explored. There has been little if any change in the adoption of these practices over time.

Larger establishments and those in the public sector are more likely to have formal staff consultation procedures in place than smaller ones. Establishments with 50 or more staff are more than twice as likely as the overall average to have formal consultation procedures in place. Three-quarters (76%) of public sector establishments operate formal staff consultation compared to 60% of voluntary and 44% of those in the private sector. As many as two thirds of public sector organisations (66%) and a similar proportion (63%) of establishments with 250 or more employees consult with trade unions on matters other than those related to pay and conditions.

4.3.3 Application

Application describes the ways in which organisations create the environment within which their workforce can excel and recognises that able and engaged employees may be constrained in their ability to deliver if the roles they are given are restrictive or if they are not given the tools with which to do their job. "It is the way in which skills and engaged and motivated workers are utilised by the organisation through the jobs people do, the resources that are available to them and the strategy that the organisation pursues" (Tamkin, 2005). Application is measured in this survey by the following variables:

- Existence of a Business plan
- Creation of teams to work on specific projects[6]
- Individual performance related pay
- Bonuses based on overall company performance
- Flexible benefits
- Investors in People (IIP)
- ISO 9000 accreditation

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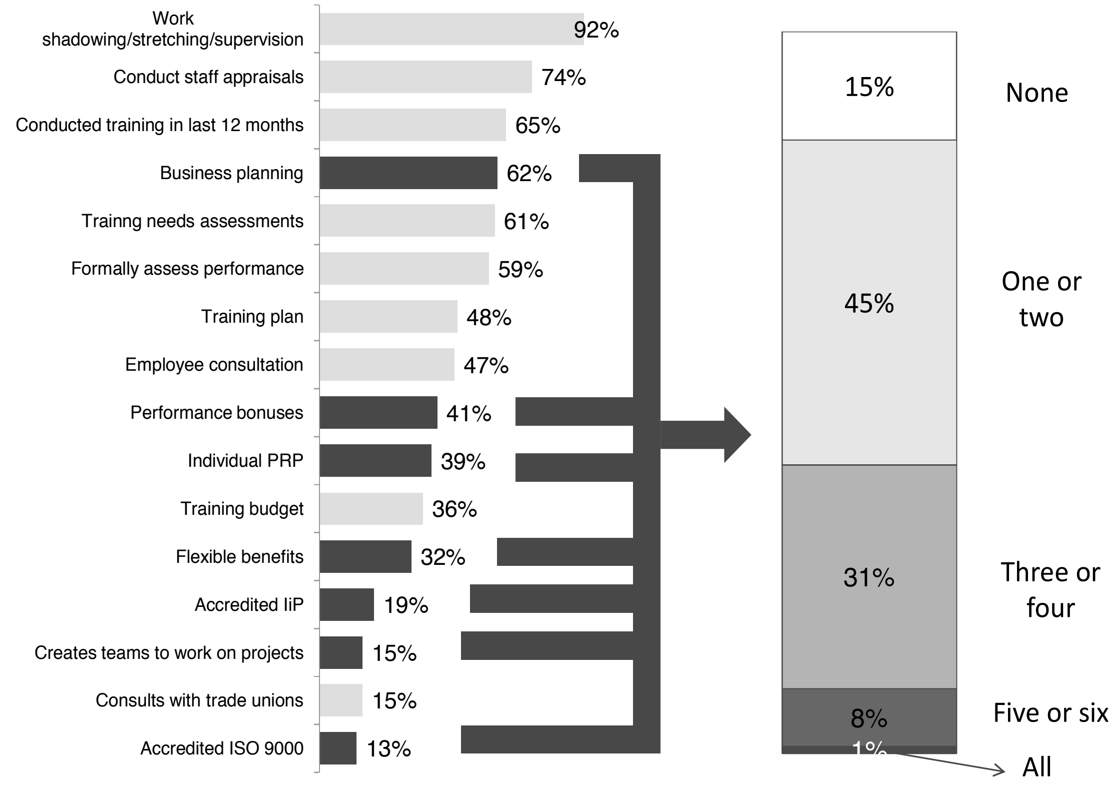
[6] This was only explored with establishments with at least 10 employees.

Figure 4.7 shows the proportion of establishments adopting each of the high performance working practices designed to ensure the best application of ability and attitude to company performance (the left-hand bar chart, and the darker bars in particular) and shows the extent to which these practices are adopted in combination (the right-hand column).

Figure 4.7: Establishments' adoption of practices designed to facilitate application



Base: All establishments (13,556)

The practices associated with application fall into three broad groups.

1. Business planning – which a majority of establishments engage in
2. Less common, but still adopted by between a third and two fifths of establishments are reward and the remuneration strategies: paying employees bonuses based on the overall performance of the company, differential pay based on individual performance and including flexible benefits within employees' reward and remuneration
3. Smaller minorities of establishments have structured their workplace and work processes through external accreditation and/or work through virtual teams: one in five are IiP accredited, one in seven create teams to work on specific projects and one in eight have ISO 9000 accreditation

Overall, establishments are considerably less likely to adopt these application practices than they are to adopt practices designed to increase ability. There is a closer relationship between the adoption of practices focused on the attitudes of the workforce and the application (deployment) of their skills, with employers slightly more likely to be adopting application practices than attitudinal ones.

There has been less movement in the application of these practices over time than with the practices designed to develop ability. The rates of business planning and IiP accreditation amongst establishments have remained relatively static as have the practices of individual performance related pay and bonuses based on company performance. There has been a seven percentage point increase in the proportion of establishments providing flexible benefits (with a four percentage point decrease between 2005 and 2004).

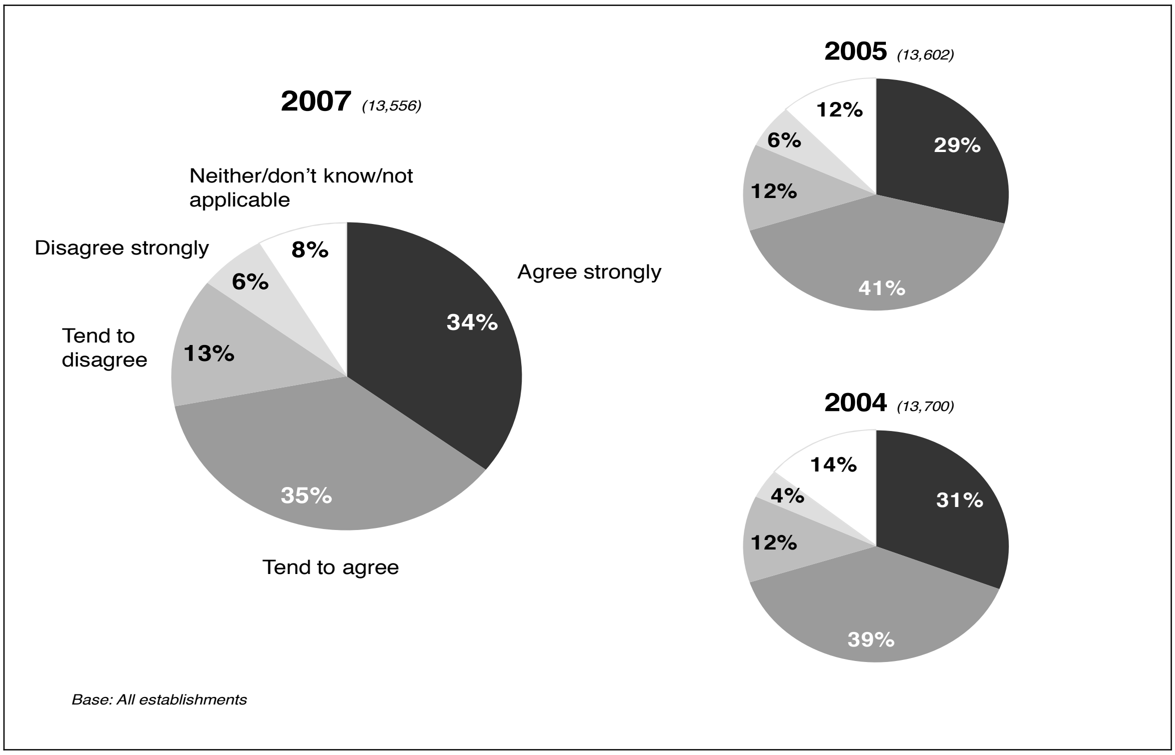
We have seen that the practice of strategies and protocols to increase ability and develop a positive attitude in the workforce is strongly related to size of establishment, with larger establishments adopting each of the measures with greater frequency. Similarly, there is a strong relationship between size of establishment and the practice of business planning and the drive for externally recognised accreditation (through IiP or ISO 9000). There is a less clear relationship between size of establishment and the propensity to reward employees differently according to their own performance or the overall performance of their organisation.

These reward and remuneration strategies also stand out as being considerably more common in the private sector than in the public sector (46% of private sector establishments offer performance bonuses based on company performance compared to 14% of establishments in the public sector) and 42% offer individual PRP compared to 24% of public sector establishments). Otherwise, all of the practices are considerably more common in the public sector.

4.4 Link between HR and business strategies

For the benefits of strategic HR planning to be experienced in terms of business performance, it is important to link HR planning to overall business strategies; that is, skills needs are driven by business needs and any disjunct between the planning of the two could reduce the effectiveness of both. From this perspective, as well as exploring high performance working practices, the survey asked employers to indicate the extent to which they agree or disagree that their HR strategy is closely linked with their overall business strategy. Figure 4.8 shows 69% of establishments agree with this statement and one fifth disagree. Overall, there is little change in the views of establishments between 2005 and 2007.

Figure 4.8: Linkage between HR and business strategies



A similar proportion of establishments are HPWP establishments (in the sense of adopting 10 or more of the high performance working practices explored through the survey) as in previous years, and this status remains the preserve of a minority (three in ten establishments – 30%). There is, however, evidence that greater proportions of establishments are adopting each of the practices, especially with regard to development rather than deployment, although there remains room for growth in the private sector generally and among smaller establishments in particular.

In the next chapter we look specifically at the extent to which employers look to accredit ability and the development of ability through qualifications.

5 Vocational Qualifications

Chapter Summary

- NVQs/SVQs are the vocational qualification that is most likely to ‘top of mind’ for establishments by a long way. However, 40% of employers were unable to name a vocational qualification on a spontaneous basis.
- Prompted awareness is high for nearly all the key types of vocational qualifications. A total of 95% of establishments are aware of NVQs, 94% of City and Guilds qualifications, 89% of (Modern) Apprenticeships and 87% of HNCs/HNDs.
- A high level of awareness of NVQs is supported by a relatively deep level of knowledge. Three in five employers who have heard of NVQs/SVQs state that they have at least a broad general idea of what they are. However, 15% know nothing more than the name.
- Employers can be segmented by their use of VQs into current VQ trainers (those who have funded training in the last 12 months which has been designed to lead to a vocational qualification), lapsed VQ trainers (those who have trained in this way in the past but not in the last 12 months), other trainers (those who have funded or arranged training but none designed to lead to a vocational qualification) and non trainers. These groups account for 34%, 9%, 33% and 23% of the business population respectively.
- Sizeable majorities of employers agree that achievement of VQs leads to increases in knowledge and understanding (89%), the development of new skills (83%) and reliable standards of competence (80%). They are less likely to be convinced that they lead to better business performance (71%) or improved staff retention (61%).
- Those employers who are not investing in VQs perceive a range of barriers to doing so. The most commonly given reason was that staff do not want this type of training (mentioned by 38%) but other reasons given by similar proportions of employers focussed around a lack of knowledge about VQs, the cost, the bureaucracy involved and the length of time that they take to complete.

5.1 Introduction

The Leitch Review (HMT, 2006)[7] set out a vision for the UK to overcome its relatively weak productivity and growth, and to become a world leader in skills by 2020. As noted in the introduction to this report, among the Leitch Review recommendations was the suggestion that vocational qualifications be reformed with employers given a leading role - through their Sector Skills Council (SSC) - to ensure that vocational qualifications are responsive to employers, and that they generate economically valuable skills. These reforms to the vocational qualification system are being directed by the UK Vocational Qualifications Reform Programme (UK VQRP) with whom the questions reported below were devised to help inform of employers perceptions and use of Vocational Qualifications (VQs) and thus of the value they place on them. The intention is that this would be repeated in future years to assess the extent to which the value employers place on VQs has changed as the Reforms are implemented. This section explores awareness, knowledge and usage of VQs as well as general perceptions of VQs and benefits of, and barriers to, their take-up.

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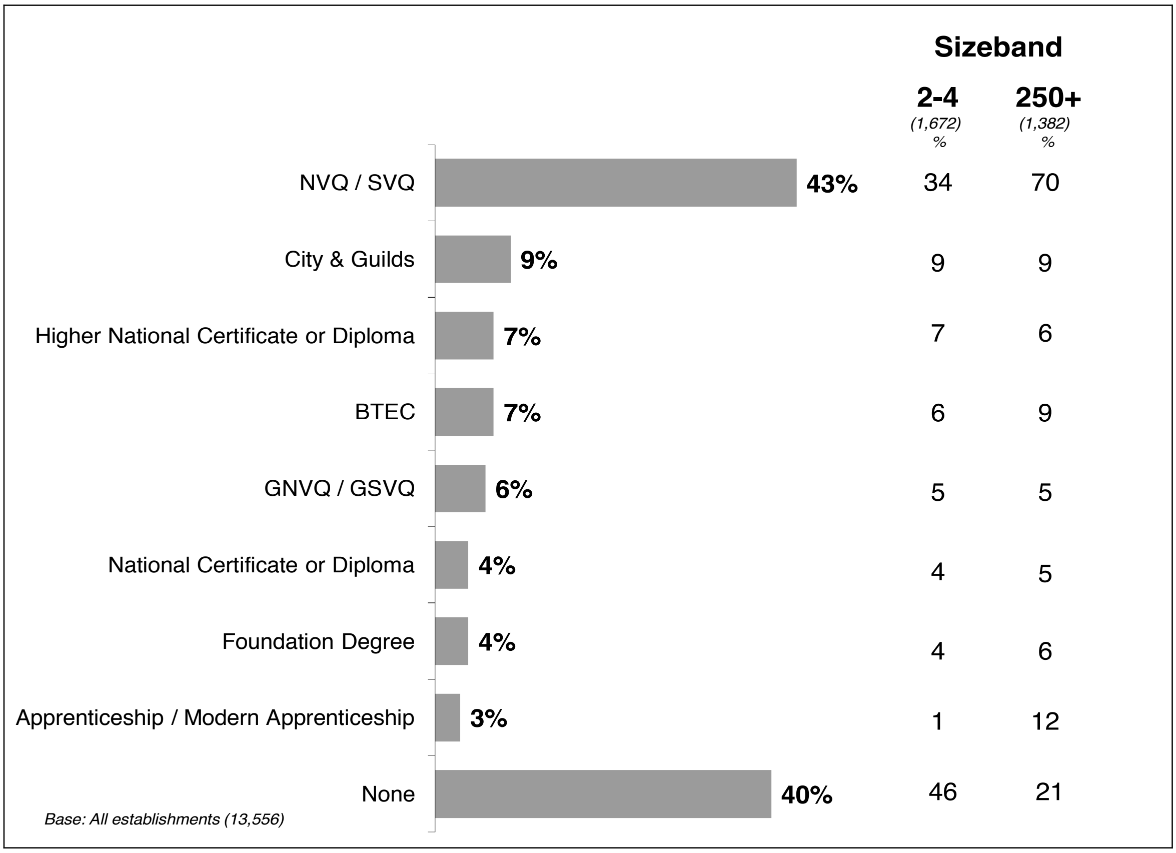
[7] '*Prosperity for all in the global economy – world class skills'*, HM Treasury, December 2006

5.2 Awareness and Knowledge of Vocational Qualifications

To establish awareness of VQs, all employers were first asked to name – on a spontaneous basis - all the VQs they could think of (“top of mind” awareness) and were then prompted with a list of different types of VQs. Figure 5.1 shows levels of “top of mind” awareness.

Figure 5.1: Spontaneous awareness of Vocational Qualifications



Base: All establishments (13,556)

A majority of establishments were able to spontaneously name at least one type of vocational qualification, although two in five were not able to think of any.

Top of mind awareness was far higher for SVQs or NVQs than for other types of vocational qualification. Two in five establishments spontaneously mentioned SVQs or NVQs (43%), more than four times as many as mentioned City & Guilds (9%) in second place (although SVQs and NVQs capture a broader range of qualifications). Seven per cent of establishments spontaneously mentioned HNCs or HNDs, with a similar proportion mentioning BTECs. GNVQs / GSVQs, National Certificates or Diplomas and Foundation Degrees were each mentioned by around one in twenty establishments. Three per cent of establishments mentioned (Modern) Apprenticeships.

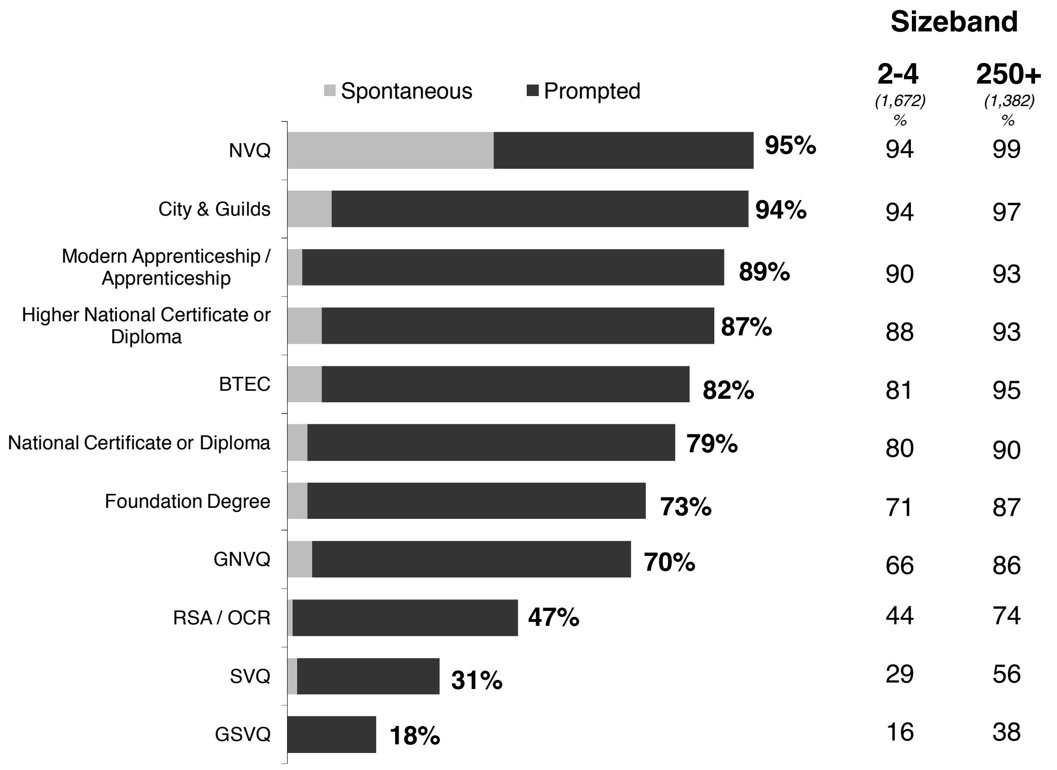
The above analysis considers SVQs and NVQs together. Disentangling them, it is not surprising that there is almost no spontaneous awareness of SVQs outside of Scotland. Within Scotland, there was more spontaneous awareness of SVQs (25%) than of NVQs, although 17% of Scottish establishments were aware of the latter. Scottish establishments were at least as aware of GNVQs (2% spontaneous awareness) as of GSVQs (1%).

HNC/HNDs were twice as commonly mentioned in Scotland as in the UK as a whole (15% v. 7%), but City & Guilds were only mentioned half as many times in Scotland as in the UK as a whole (5% v. 9%). There was almost no awareness of BTECs in Scotland (<0.5%).

That 40% of all establishments cannot spontaneously name a type of VQ suggests there is still a lot of work to be done to promote VQs. Unsurprisingly, there is more work to be done among smaller employers than larger ones. Lack of awareness dropped to 21% for the largest establishments, but approaching half of the smallest establishments (46%) could not spontaneously name a VQ.

When prompted, awareness of SVQs / NVQs was almost universal, with 95% of establishments aware of them. Similar proportions were aware of City & Guilds. Fewer than 1% of all establishments did not recognise any of the VQs which they were prompted with. Prompted awareness of all the main types of vocational qualifications is presented in Figure 5.2.

Figure 5.2: Prompted awareness of Vocational Qualifications



Base: All establishments (13,556)

Prompted awareness is high for all types of vocational qualifications. Apart from RSA / OCR (recognised by only around a half of establishments, 47%), a clear majority of employers recognise each UK wide qualification type.

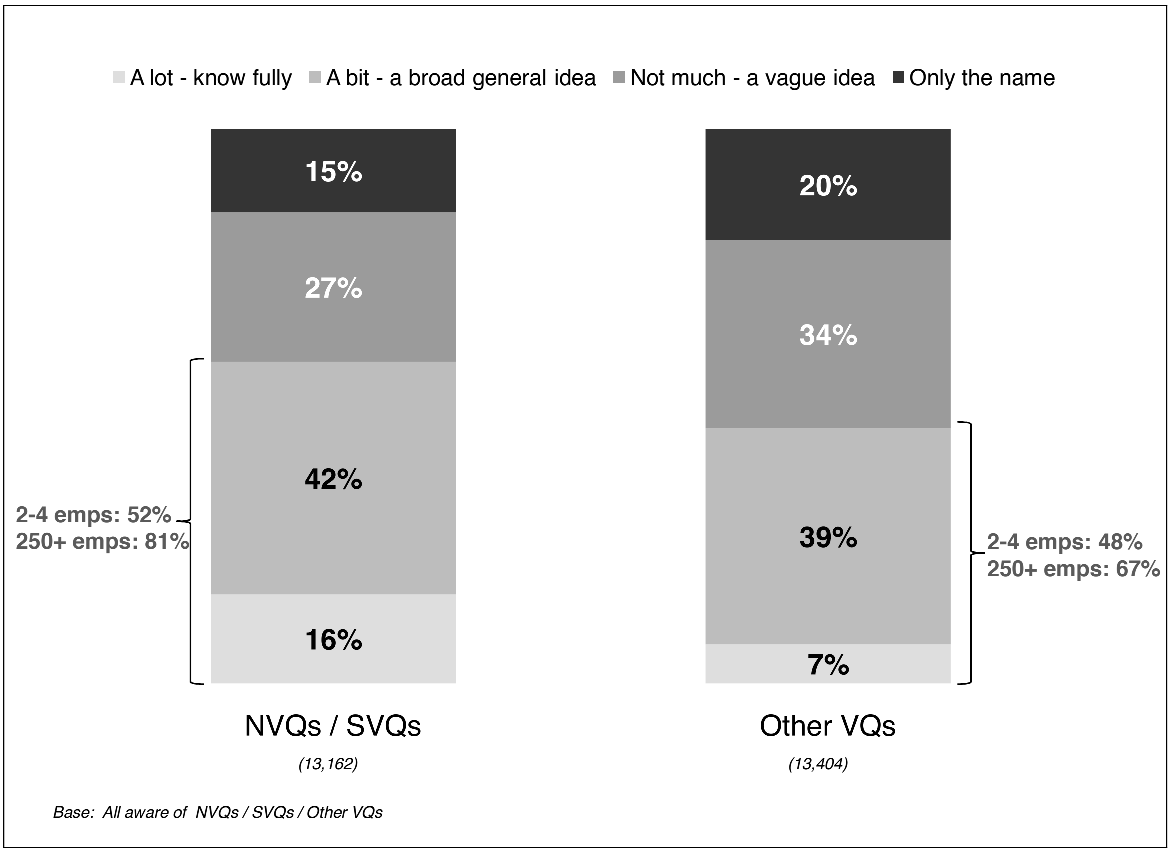
There is limited variation in prompted awareness among employers in the different countries of the UK. The obvious exception is SVQs. Nine in ten establishments in Scotland had heard of SVQs. Scottish employers were at least as likely to have heard of NVQs (89%) as of SVQs (88%). Similarly, there was little difference among employers in Scotland in terms of their awareness of GSVQs (40%) and of GNVQs (35%). Otherwise, about half as many Scottish establishments as in the UK as a whole had heard of BTECs (42% v. 82%) or RSA / OCR (27% v. 47%). There were few differences in recognition between England, Wales and Northern Ireland.

The gap in levels of awareness between employers of different sizes is generally much smaller on a prompted basis than on a spontaneous basis. That said, the less well known the qualification, the larger the gap in overall recognition (prompted and spontaneous awareness).

5.2.1 Depth of Knowledge of Vocational Qualifications

As well as establishing the breadth of employers' awareness, the survey also explored the depth of their knowledge. Employers who were aware of either NVQs/SVQs and/or other VQs were asked how much they knew about them. The results are shown in Figure 5.3.

Figure 5.3: Depth of awareness of Vocational Qualifications



Top of mind awareness of NVQs is supported by relatively deep levels of knowledge. More people claimed they knew either a lot or a bit about NVQs or SVQs than other VQs (58% v. 46%). That said, there is plenty of scope for educating employers about VQs. Fifteen per cent of establishments who are aware of NVQs / SVQs have only heard the name, and one fifth of establishments who are aware of other VQs don't know anything (else) about them.

For both NVQs / SVQs and other VQs depth of knowledge increases with the size of establishment.

There was some difference in depth of knowledge of VQs in the different nations of the UK. Scottish employers had shallower levels of knowledge of NVQ / SVQs, with only 54% of establishments saying they had a lot or a bit of knowledge; establishments in Wales had a higher level of knowledge (66%).

The pattern was different for other VQs, with fewer in England saying they had a bit or a lot of knowledge (45%) compared to Scotland (51%), Wales (52%), or Northern Ireland (53%).

As expected, depth of knowledge of VQs was higher amongst those who trained to them. In fact, three in ten (30%) of current VQ trainers said they knew a lot about NVQs / SVQs, which is double the national average. The proportion of current VQ trainers who had a lot of knowledge of other VQs was also higher than the national average (10% v 7%). Surprisingly, lapsed VQ trainers, that is those who once trained to VQs but no longer do, were the least knowledgeable about NVQs / VQs, with only 12% and 4% (compared to 16% and 7% nationally) saying they had a lot of knowledge about NVQs / SVQs and other VQs respectively.

5.3 Use of Vocational Qualifications

The imperative is not only to increase awareness and knowledge of VQs, but to ensure that they are useful to employers and are consequently adopted in training practice and recognised / valued in recruitment.

5.3.1 Use of Vocational Qualifications in training funded or arranged by employers

As discussed in Chapter 3, two thirds of establishments (65%) had funded or arranged training for at least some of their employees in the 12 months prior to the survey, with more than three quarters (77%) having done so at any time in the past.

All employers who had ever funded or arranged training were asked if any of this training had been designed to lead to a vocational qualification; they were prompted with the following range of VQs:

1. VQs designed to provide skills for specific occupations, for example NVQs, SVQs and BTECs;
2. VQs designed to provide skills for a broad range of occupations, for example GNVQs and GSVQs;
3. VQs designed to increase general employability by providing life skills, for example IT qualifications such as ECDL;
4. Qualifications designed to lead to or support further learning, for example GCSEs and A Levels; and
5. Any other VQs.

Figure 5.4 (on the next page) shows the proportion of all establishments who had ever trained to these types of qualifications, and the proportion which had done so in the last year.

Overall, over half of establishments (53%) have ever funded or arranged training with any of these targeted outcomes, and two fifths (42%) had done so in the last year.[8]

The most commonly used type of VQ were those designed to provide skills for specific occupations, which a quarter of all establishments had used in the last year, and a third had ever used. The next most commonly used qualifications were designed to increase general employability, which 18% of all establishments had trained towards in the last year, and nearly a quarter (23%) had trained to ever.

Vocational qualifications designed to provide skills for a broad range of occupations and those to support further learning were much less commonly used, with 3% and 4% of all establishments respectively having trained their staff to them in the last year, and 4% and 5% having ever done so. One in five establishments claimed to have (ever) trained to other types of vocational qualification.[9]

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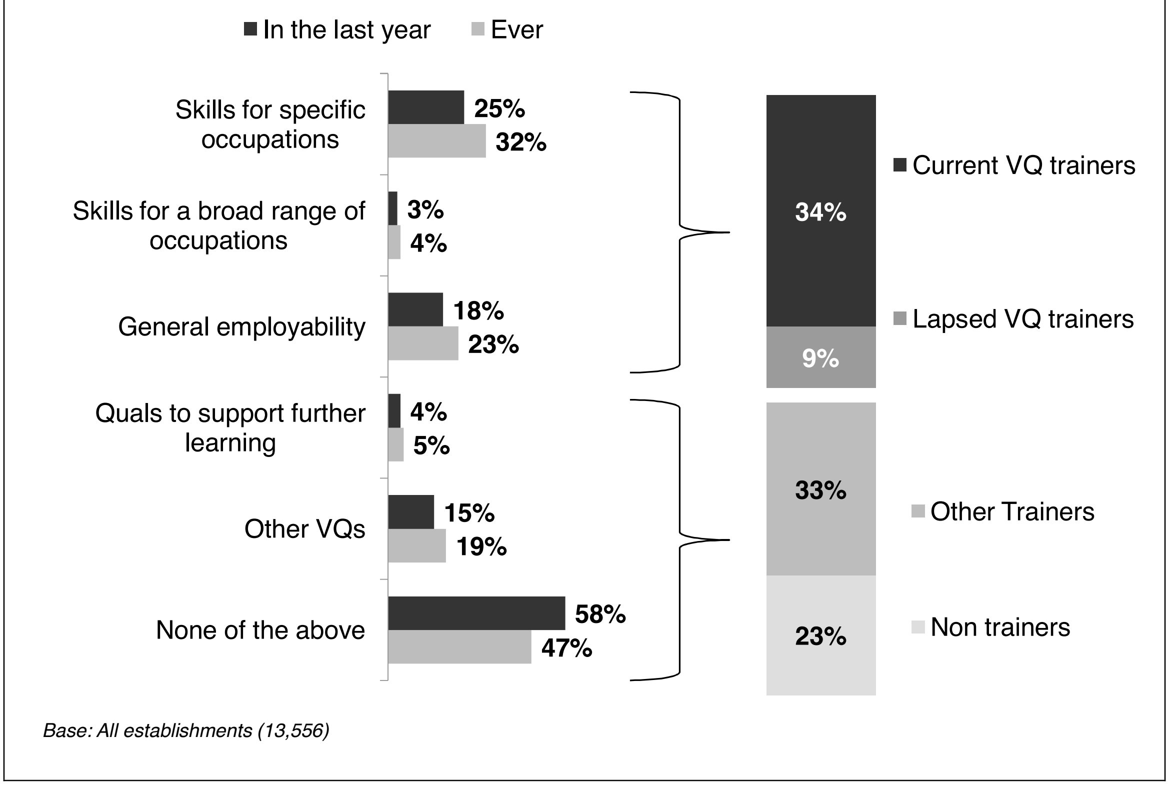
[8] 65% of establishments who had trained in the last year had trained their staff to a recognised qualification.

[9] These included certificates for basic Health and Safety / First Aid courses and internal company-specific ‘qualifications.’

Figure 5.4: Training to Vocational Qualifications



Base: All establishments (13,556)

The right hand side of the column groups all establishments into one of four categories:

- Current VQ trainers - those who “currently” (i.e. within the past 12 months) fund or arrange training for their employees which is designed to lead to a vocational qualification;
- Lapsed VQ trainers - those who have done so in the past, but not in the past 12 months;
- Other trainers - those who have funded or arranged training (at some stage in the past, but not necessarily the recent past) but where none of the training was designed to lead to a vocational qualification; and
- Non-trainers - those who have not funded or arranged training at all.

For this analysis, ‘current’ and ‘lapsed’ VQ trainers are those establishments which have funded or arranged “training to a VQ designed to (a) provide skills for specific occupations (b) provide skills for a broad range of occupations and / or (c) increase general employability”. The “other trainers” category incorporates establishments who (only) funded or arranged training designed to support further learning or to deliver “other VQs” or training which had no qualification aim. The “non trainers” establishments are those who have never funded or arranged training for their employees.

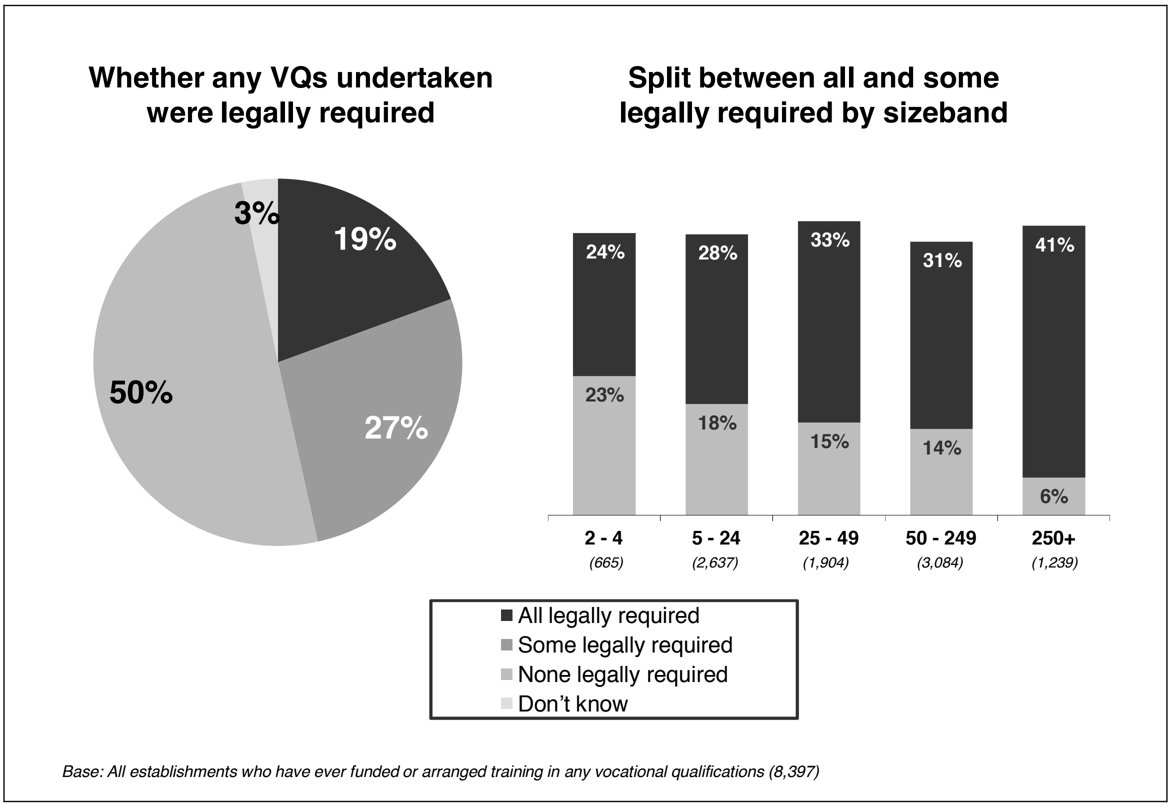
Using this categorisation, a third of all establishments are “current VQ trainers”, with a further nine per cent being “lapsed VQ trainers”. A third are “other trainers” (or non-VQ trainers), and just under a quarter are “non trainers”.

Establishments in Wales were the most likely to be “current VQ trainers” (40%) and those in Scotland the least likely (28%). In England and Northern Ireland 35% and 32% of establishments respectively were “current VQ trainers”.

5.3.2 Training to meet Legislative Requirements

Employers who had ever trained their staff to VQs were asked whether all, some or none of the training was undertaken to meet legislative requirements in order to explore the extent to which employers use and place a value on VQs for reasons other than legislation. The results are presented in Figure 5.5.

Figure 5.5: The role of legislative requirements in training to VQs



Base: All establishments who have ever funded or arranged training in any vocational qualifications (8,397)

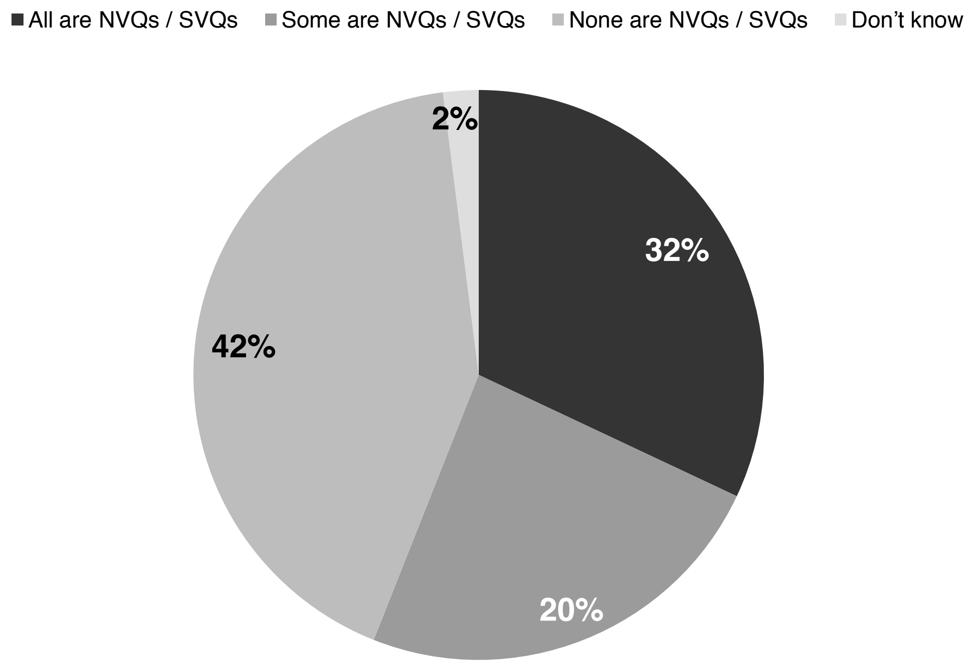
Half of all those who had trained staff to a vocational qualification had done so without being required to by law. Just over a quarter (27%), however, have trained their staff to VQs at least some of the time in order to meet legislation, and 19% had trained to VQs *only* when legislation required.

Whilst there was little or no difference by size in the proportion of establishments who had funded or arranged at least some training to VQs to meet legislative requirements, it was considerably more likely that smaller establishments only trained to vocational qualifications because they had to. This probably reflects the wider repertoire of training activities (and motivations) among larger employers.

5.3.3 Training to NVQs / SVQs

Of those who had trained to vocational qualifications[10], over half (52%) had trained to NVQs / SVQs specifically, and for a third (32%) *all* of the VQ training they had funded or arranged was designed to lead to an NVQ or SVQ. Two fifths (42%) had not trained to NVQs or SVQs at all (Figure 5.6).

Figure 5.6: Whether VQs trained to were NVQs / SVQs



Base: All establishments who have ever funded or arranged training in any vocational qualifications (8,397)

The largest establishments were the most likely to use NVQs / SVQs. Among 66% of the largest establishments who had funded or arranged any qualification-based vocational training, at least some of this training had been designed to lead to an NVQ / SVQ, compared to only 47% of the smallest establishments.

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[10] That is training to a VQ designed to (a) provide skills for specific occupations (b) provide skills for a broad range of occupations or (c) increase general employability.

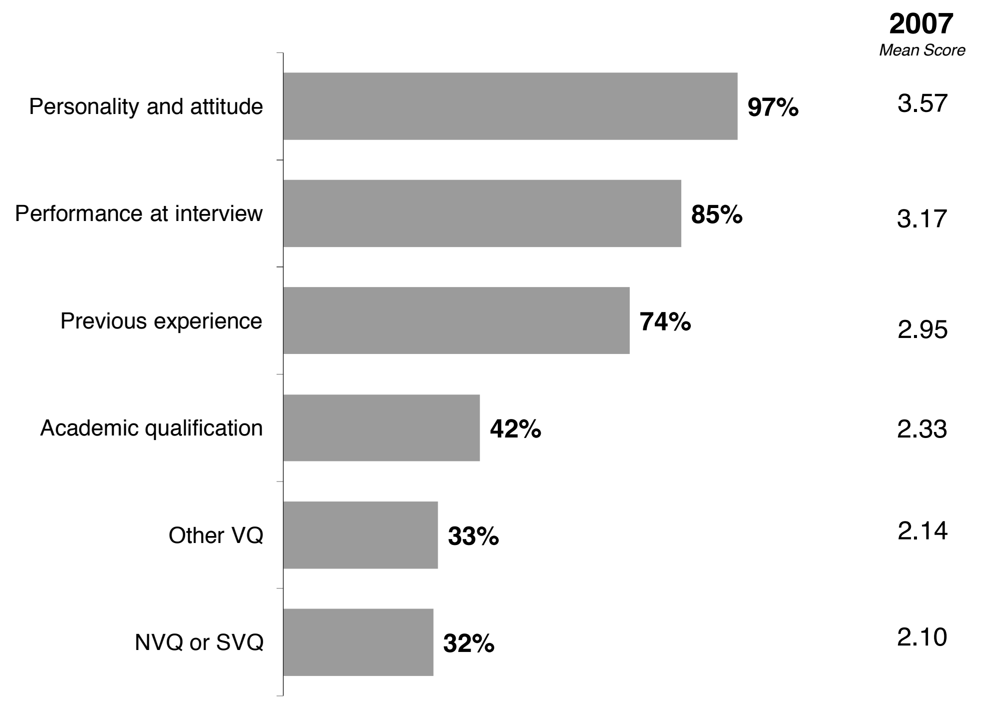
However, the largest establishments were also the least likely to *only* use NVQs, with only 15% having done so – half as many as among the smallest establishments (31%). That is, the larger training employers were more likely to have a wide ranging repertoire of qualifications-based training.

Establishments in Scotland and Wales were considerably less likely to have trained to NVQs / SVQs than those in England or Northern Ireland (46% and 49% v. 56% and 60%), although they were more likely to train to any VQ.

5.3.4 Use of VQs in Recruitment

As well as measuring the extent to which employers fund or arrange training leading to VQs, the survey explored the extent to which employers value VQs in new recruits. Employers were asked how much they valued a range of factors when assessing potential new recruits. For each factor, answers were given on a four point scale with 1 indicating that the factor had no value during the recruitment process, 2 that it had a small amount of value, 3 that it had significant value and 4 that it was critical. For each factor, the proportion of all establishments who said that it had significant value or was critical is presented in Figure 5.7, with mean scores (out of 4) in the right hand column.

Figure 5.7: Importance of VQ in recruitment



Base: All establishments (13,556)

Of the factors presented, VQs are the least important in recruitment.

Factors that employers can judge for themselves in the recruitment process (or believe they can judge) are the most highly valued, followed by the judgement of "other employers like us" as shown by the candidates' previous experience. The most important factor is personality, with virtually all establishments saying that this is critical (59%) or of significant value. Only slightly less important is performance at interview, which 85% said was critical or of significant value (with 31% saying critical). Three quarters of establishments consider the previous experience of the applicant to be of significant value or critical.

There is considerably less value placed on certified skills (qualifications) whether these are academic or vocational in nature (although academic skills are more valued than their vocational counterparts). Four in ten considered academic qualifications important (although only 9% thought them critical), with VQs being seen as of least importance when recruiting, with a third each considering NVQs / SVQs and other VQs important, and only 4% and 3% respectively considering them critical. In fact, a quarter of establishments considered NVQs / SVQs and other VQs of no value (26% and 23% respectively).

Possession of vocational qualifications has higher currency in the recruitment process in Northern Ireland than in the UK as a whole. The mean importance accorded to the possession of NVQs and SVQs in Northern Ireland was 2.32 (v. 2.10 in the UK). The mean stood at 2.25 for other VQs (v. 2.14 nationally) and 2.48 for academic qualifications (v. 2.33). On the other hand, Northern Irish establishments valued personality (3.49) and performance at interview (3.10) slightly less than the UK as a whole (3.57 and 3.17 respectively).

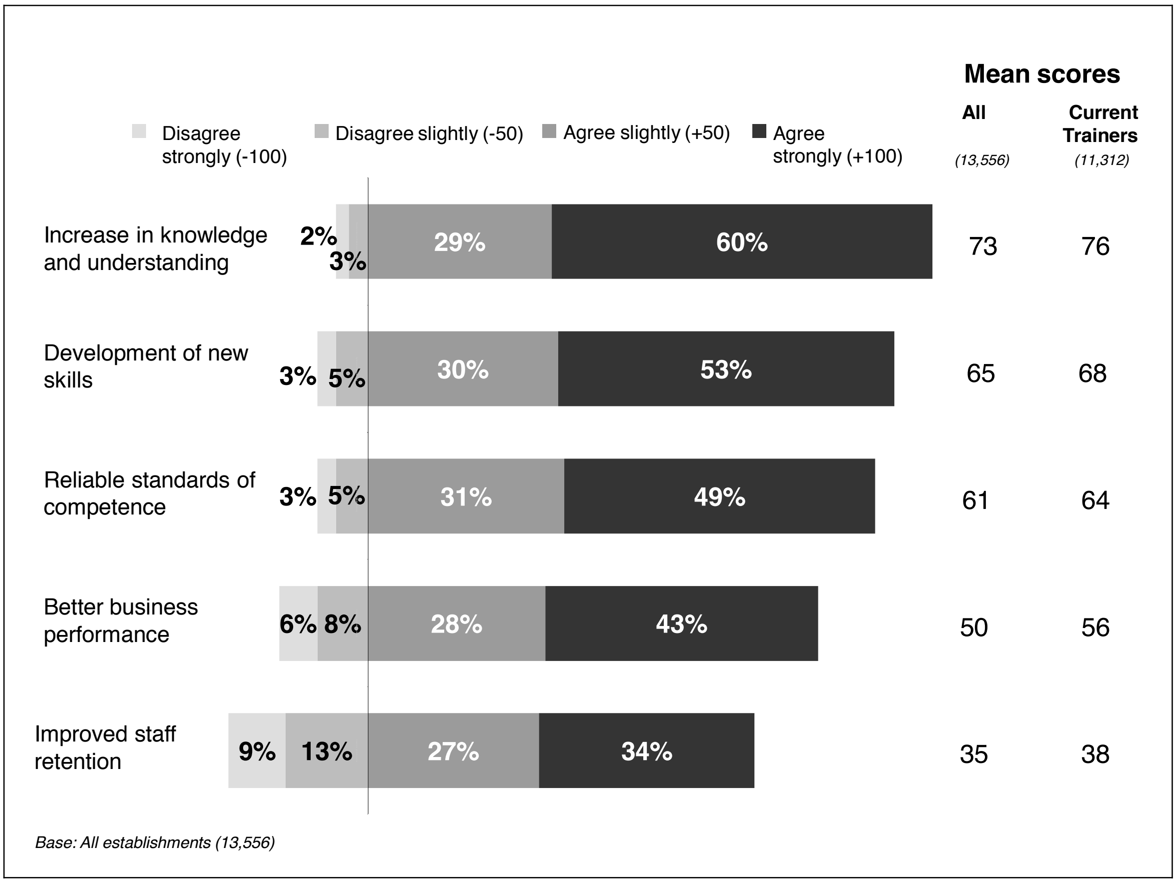
Overall, therefore, more than half of establishments (53%) have trained their staff at one time or another to at least one type of VQ, and a third of establishments thought each of NVQs / SVQs and other VQs were of significant value or critical in the recruitment process. The use of VQs as an aid in recruitment appears considerably less important than their use as a training tool.

5.4 Benefits of Vocational Qualifications to Employers

This section explores the benefits employers perceive to be derived from vocational qualifications.

All employers (regardless of whether or not they trained to VQs) were asked their opinions of how VQs might help their business, by saying whether they agreed strongly (+100) or slightly (+50), neither agreed nor disagreed (0), or disagreed strongly (-100) or slightly (-50) that a series of benefits would ensue. Figure 5.8 depicts the results, with mean scores given both by all establishments and just by current trainers to the right.

Figure 5.8: Benefits of Vocational Qualifications



Base: All establishments (13,556)

There was most agreement that VQs brought about an increase of knowledge and understanding (89%, with 60% agreeing strongly), the development of new skills (83%, with 53% agreeing strongly) and reliable standards of competence (80%, with 49% agreeing strongly). Seven in ten (71%) agree (43% strongly) that the achievement of VQs brings about better business performance.

Fewest employers agreed that VQs lead to improved staff retention, with 61% of establishments agreeing (and only a third strongly). More employers disagreed with this statement than any other; 22% disagreed.

For each of these categories the largest establishments gave a higher average mean score (representing greater agreement with the statement in question) than the smallest (typically in the region of 10 to 20 points). This may either show that larger employers attach greater importance to VQs, or that they are better able to reap the rewards if training staff to VQs within the workplace.

Employers in Northern Ireland and Wales had a more positive opinion as to the benefits of VQs (see Table 5.1). Given that establishments in Northern Ireland have such positive views of VQs it is surprising that fewer establishments which trained in Northern Ireland, trained to VQs compared to the UK as a whole although those that did were more likely to train to NVQs and are more likely to value VQs in recruitment.

Table 5.1: Employers' opinion of vocational qualifications by country – mean score

	England	**Scotland**	**Northern Ireland**	**Wales**
Base: All establishments	*(9812)*	*(1793)*	*(1012)*	*(939)*
	Mean score	*Mean score*	*Mean score*	*Mean score*
Better business performance	49	48	60	58
The development of new skills	64	63	71	79
An increase in knowledge and understanding	72	70	80	79
Reliable standards of competence	60	62	72	66
Improved staff retention	34	31	47	42

Table 5.2 shows average scores for these statements for groups with different types of VQ training status.

Table 5.2: Employers' opinion of vocational qualifications by training status – mean score

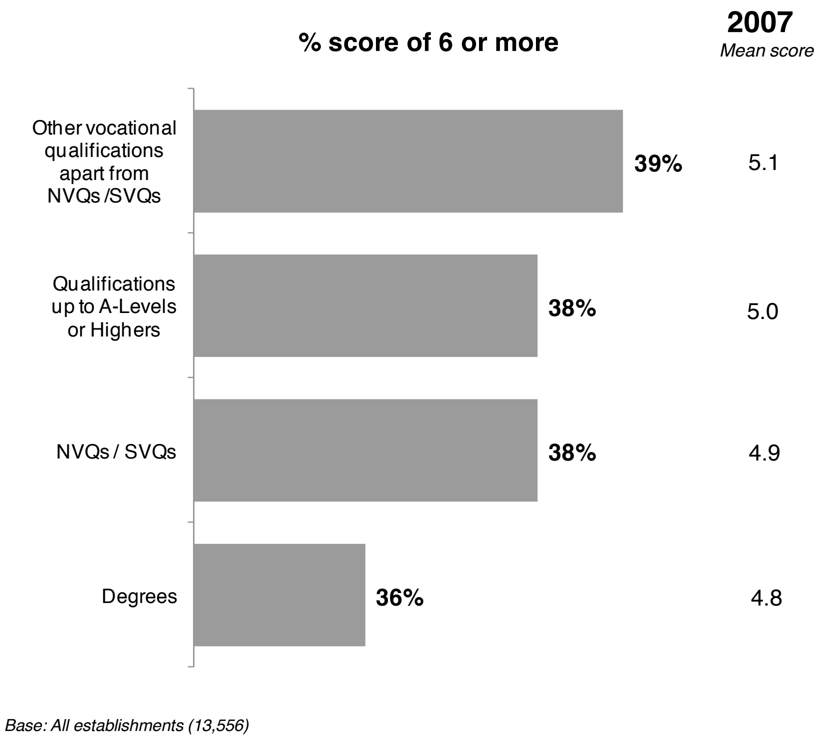
	Current VQ trainers	**Lapsed VQ trainers**	**Other trainers**	**Non trainers**
Base: All establishments	*(7,284)*	*(1,113)*	*(3,749)*	*(1,342)*
	Mean score	*Mean score*	*Mean score*	*Mean score*
Better business performance	68	52	36	39
The development of new skills	77	64	56	60
An increase in knowledge and understanding	82	76	66	67
Reliable standards of competence	72	63	50	58
Improved staff retention	50	34	20	31

As one would expect, current trainers were more likely to agree with each of the positive impacts of training leading to vocational qualifications than non-trainers; and current VQ trainers gave higher average scores than everyone (Table 5.2). However, it is quite surprising that non-trainers give higher mean scores than those who train / have trained but not to VQs ("other trainers"). It would be interesting to explore further what it is about these employers - who accept the business case for delivering training to their staff but who have a less positive opinion of VQs – with a view to understanding what messages or what changes could bring them around to adopting VQs in their training practice.

To understand these opinions of VQs it is helpful to locate them within the context of employers' opinions of other qualifications. To this end, employers were asked to rate NVQs / SVQs, other VQs, academic qualifications up to A-Levels / Highers, and degrees on a scale of 1 to 10 in terms of how far they provide relevant and valuable skills (see Figure 5.9).

On average throughout the whole economy, VQs other than NVQs / SVQs are seen as providing the most relevant and valuable skills (5.10), followed by academic qualifications up to A-Levels or Highers (5.01). Next comes NVQs / SVQs (4.94), followed by degrees (4.76).

Figure 5.9: Whether qualifications provide 'relevant and valuable skills' to employers



Base: All establishments (13,556)

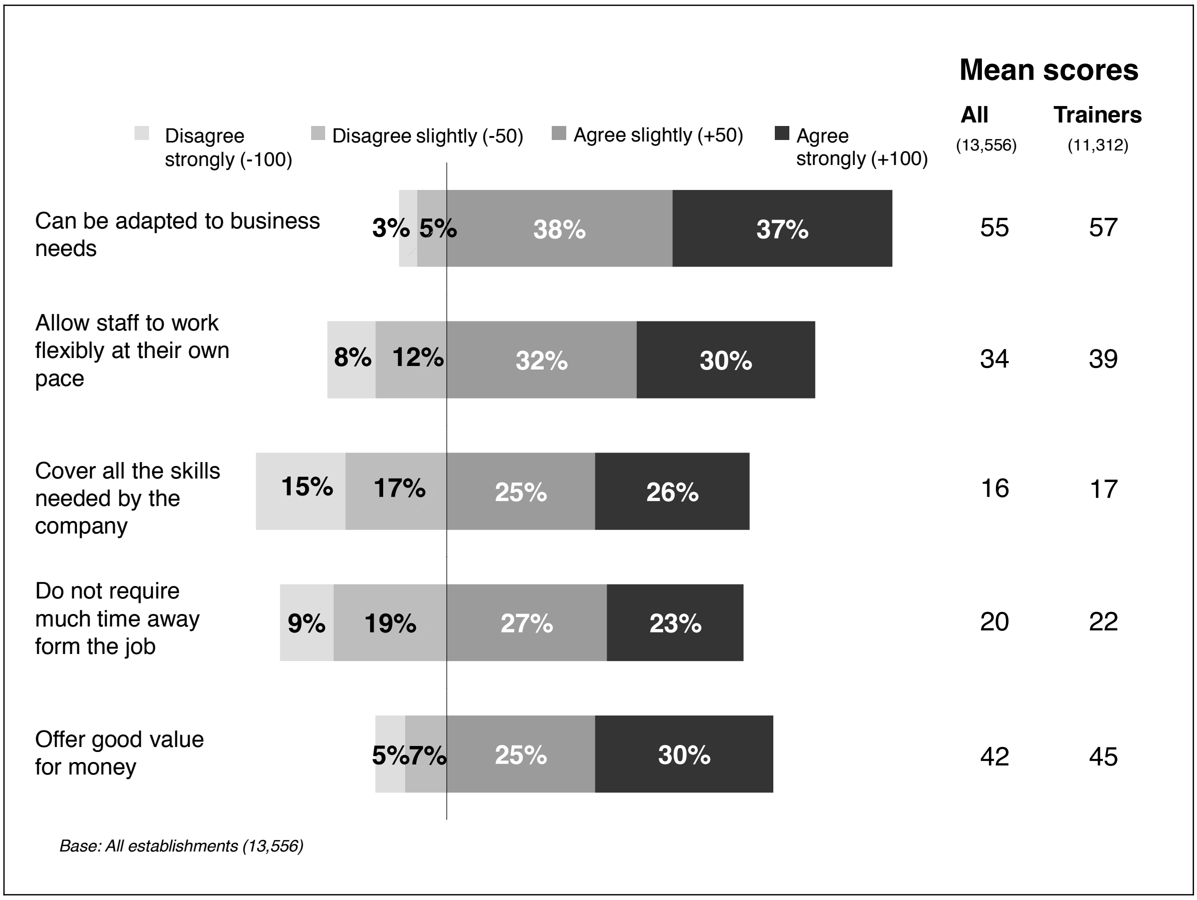
Consistent with the picture we have seen elsewhere, employers in Northern Ireland gave higher scores for VQs than employers in other parts of the UK (5.19 for NVQs / SVQs and 5.21 for other VQs), but also did so for academic qualifications up to A-Levels (5.30) and degrees (4.95). Employers in Scotland matched the national average for degrees and other VQs, but gave lower scores for SVQs (4.77) and higher scores for Highers (5.19).

The larger the company the higher it rated any given type of qualification. This again suggests that larger companies either value qualifications more, and / or are able to harness the benefits they provide more effectively.

5.4.1 Flexibility of Vocational Qualifications

All establishments were asked to indicate how flexible they perceived VQs to be in a number of different ways and how good value for money they were, by saying whether they agreed strongly (+100) or slightly (+50), neither agreed nor disagreed (0), or disagreed strongly (-100) or slightly (-50) with a number of statements. Figure 5.10 depicts the results, with mean scores given both by all establishments and just by trainers to the right.

Figure 5.10: Flexibility and Value for money of Vocational Qualifications



Base: All establishments (13,556)

In terms of flexibility, three quarters of establishments agreed that VQs could be adapted to business needs, with 37% saying they agreed strongly. Six in ten agreed that VQs allowed their staff to work at their own pace (with three in ten saying they agreed strongly), half agree that they covered all the skills needed by the company and that they do not require very much time away from the job. With these last two, however, more people actively disagreed than with the other statements (32% and 28% respectively).

Results for each of the constituent nations of the UK are shown in Table 5.3.

Table 5.3: Employers' opinion of flexibility and value for money of vocational qualifications by country – mean score

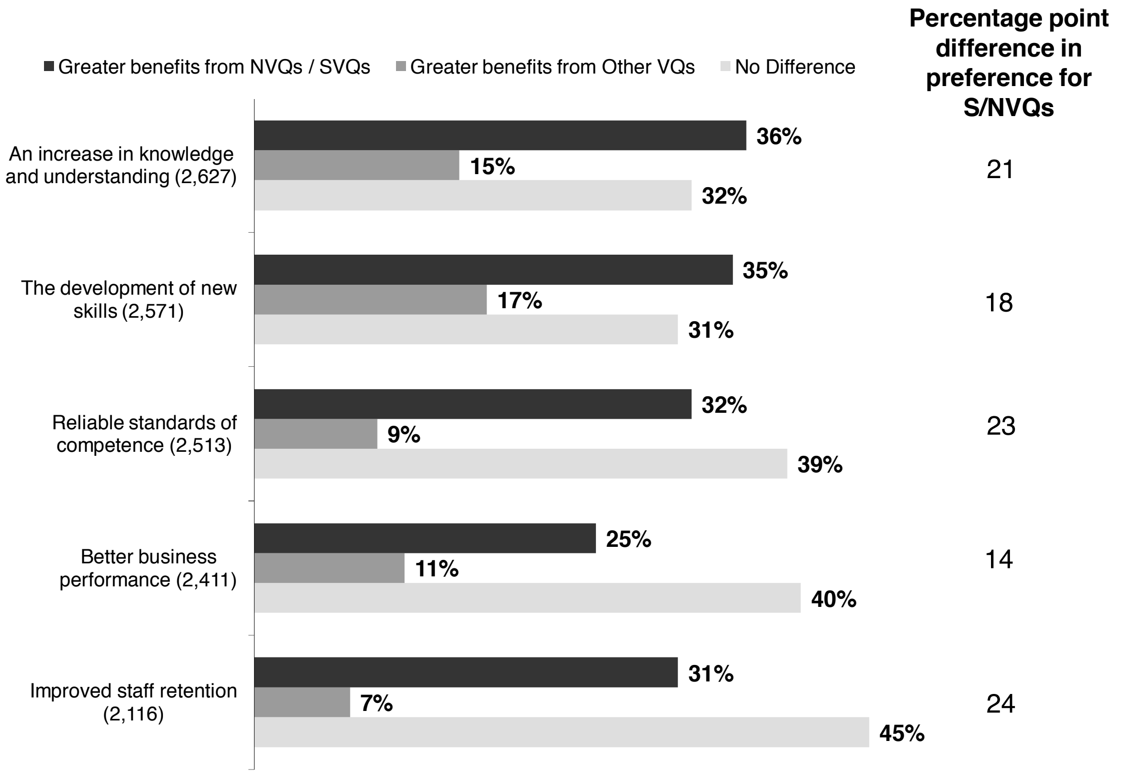
	England	**Scotland**	**Northern Ireland**	**Wales**
Base: All establishments	*(9,812)*	*(1,793)*	*(1,012)*	*(939)*
	Mean score	*Mean score*	*Mean score*	*Mean score*
Can be adapted to business needs	54	53	66	57
Allow staff to work flexibly at their own pace	34	39	35	37
Cover all skills needed by the company	14	23	25	29
Do not require much time away from the job	20	20	26	27
Offer good value for money	41	41	50	52

Scottish, Northern Irish and Welsh employers all considered VQs to be more flexible than employers in England, although in different ways. Employers in Northern Ireland and Wales both consider VQs to be better value for money than employers in the other nations of the UK.

5.5 Comparison of NVQs / SVQs and other Vocational Qualifications

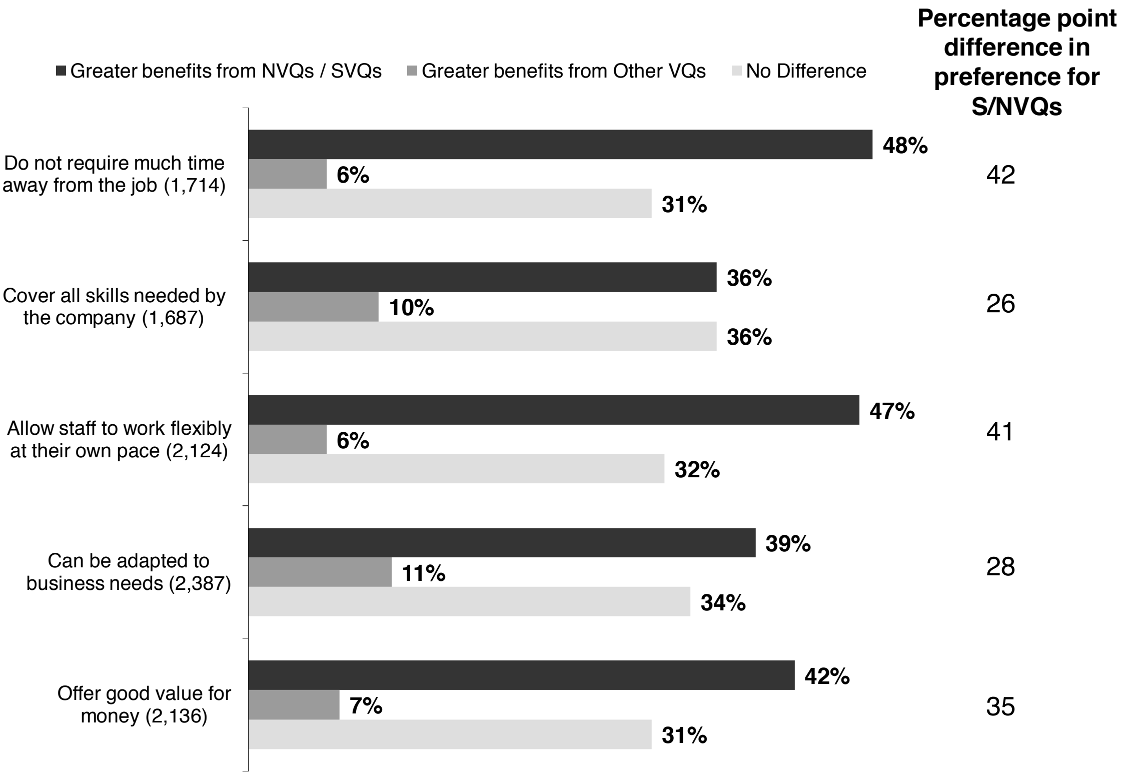
We have already seen the strength of the NVQ / SVQ "brand" compared to other VQs in terms both of 'top of mind' awareness and levels of training. In this section we compare NVQs / SVQs and other VQs more directly. Employers who trained both to NVQs / SVQs and other VQs were asked which brought the greater benefits to the business in a number of different respects Figures 5.11 and 5.12 present the results.

Figure 5.11: Relative benefits of NVQs/SVQs and other VQs. Part 1



Base: Those who agree to each statement and have trained both to NVQs/SVQs and other VQs

Figure 5.12: Relative benefits of NVQs/SVQs and other VQs. Part 2



Base: Those who agree to each statement and have trained both to NVQs/SVQs and other VQs

These charts show that the NVQ / SVQ brand is perceived as being more beneficial to businesses than other VQs by providing better skills, knowledge, staff retention, flexibility and value for money. Generally, the proportion considering NVQs / SVQs to provide the greater benefits is between 20 and 40 percentage points higher. The difference is quite striking.

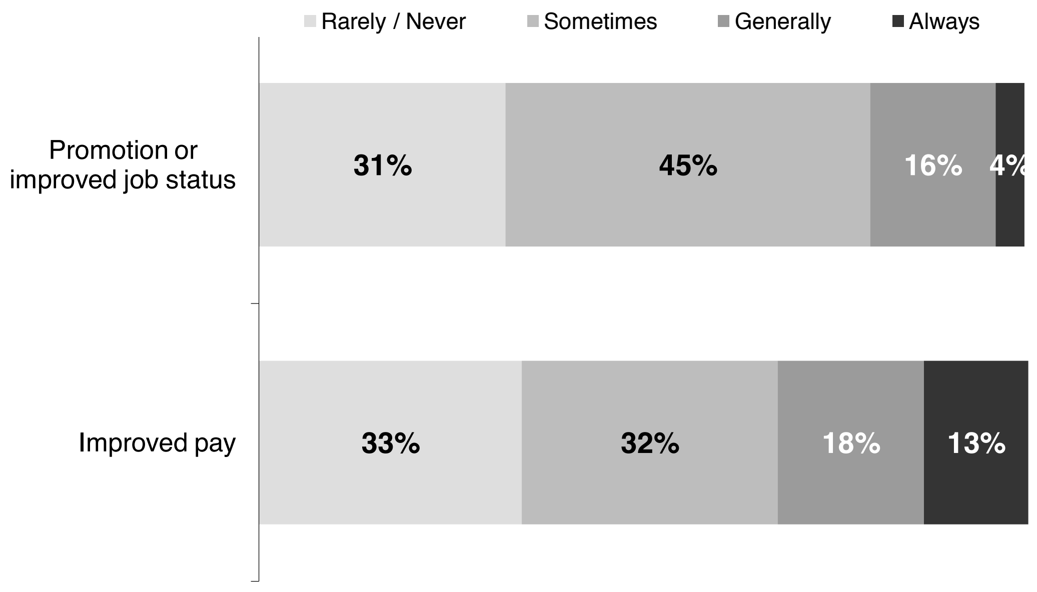
A few caveats might be added. First, generally 30% to 40% of those asked these questions thought there was no difference, with in the region of 15% to 20% saying they didn't know, meaning around half of establishments could or would not provide an opinion either way. Second, the larger the company the less likely it was to favour NVQs / SVQs over other VQs; that is, although other VQs were rarely more popular than NVQs / SVQs, the gap was smaller. And finally, on an overall level and as we have seen, employers have favoured other VQs over NVQs / SVQs when recruiting (giving other VQs a score out of 10 of 5.10, compared to 4.94 for NVQs / SVQs).

Overall, it seems that NVQs and SVQs are perceived as providing greater benefits than other VQs, although there are significant differences as to how far this is the case in different groups. More work will be needed in particular to uncover why NVQs and SVQs are perceived as being stronger compared to other VQs in terms of the specific benefits they provide (skills, flexibility, value for money), but less strong in terms of better business performance.

5.6 How Vocational Qualifications Reward Individuals

Employers who had funded or arranged training for some of their staff towards a VQ were asked what the benefits were for their staff in terms of pay and job status (e.g. whether it led to a promotion). The results are presented in Figure 5.13.

Figure 5.13: Impact of acquisition of VQs on employee pay and promotion



Base: All establishments who have ever funded or arranged training in any vocational qualifications (8,397)

Three in ten establishments said that gaining a VQ either always or generally leads to a pay increase for their staff, with a further third saying it sometimes leads to a pay increase. Fewer establishments said that gaining a VQ led always or generally to promotion / improved job status (only one in five establishments said this always or generally happened). The proportion of establishments who said that promotion never or rarely followed the acquisition of a VQ was similar to the proportion who said that pay increases never or rarely followed the achievement of qualifications (around a third in each case).

As one might expect, there was a correlation between likelihood of giving a pay rise on completion of a VQ and giving staff performance related pay (a high performance working practice as reported in chapter 4). Of those who gave individual performance related pay to staff, 18% said that staff always received a pay increase on completion of a VQ, compared to only 9% of those who did not provide performance related pay. Similarly, only 23% of those who provided performance related pay said the achievement of a VQ rarely or never led to pay increase, compared to 40% of those who did not.

Establishments in the private sector are most likely both to always or generally reward employees who have earned a VQ with either a promotion / improved job status (22%) or a pay increase (34%), followed by government establishments (9% and 23% respectively) and voluntary sector establishments (10% and 20%).

The larger the establishment the less likely it was that gaining a VQ always or generally led to benefits. Only 13% and 11% of the largest companies said that the achievement of a VQ led to a pay increase or improved job status / a promotion, compared to 32% and 18% respectively of the smallest companies. (That is, among the smallest companies, it was significantly more common for the achievement of a VQ to lead to a pay increase than to a promotion, although neither outcome was "standard".)

On the other hand, fewer of the largest establishments than the smallest (21% v. 36%) said that gaining a VQ rarely or never led to improved job status / a promotion. Thus the largest establishments were the most likely to say that benefits came sometimes (63% compared to 41% of the smallest companies), but the least likely to have a fixed policy (or custom) in place, which is perhaps unsurprising given that they are referring to a larger number of employees with more scope for variation.

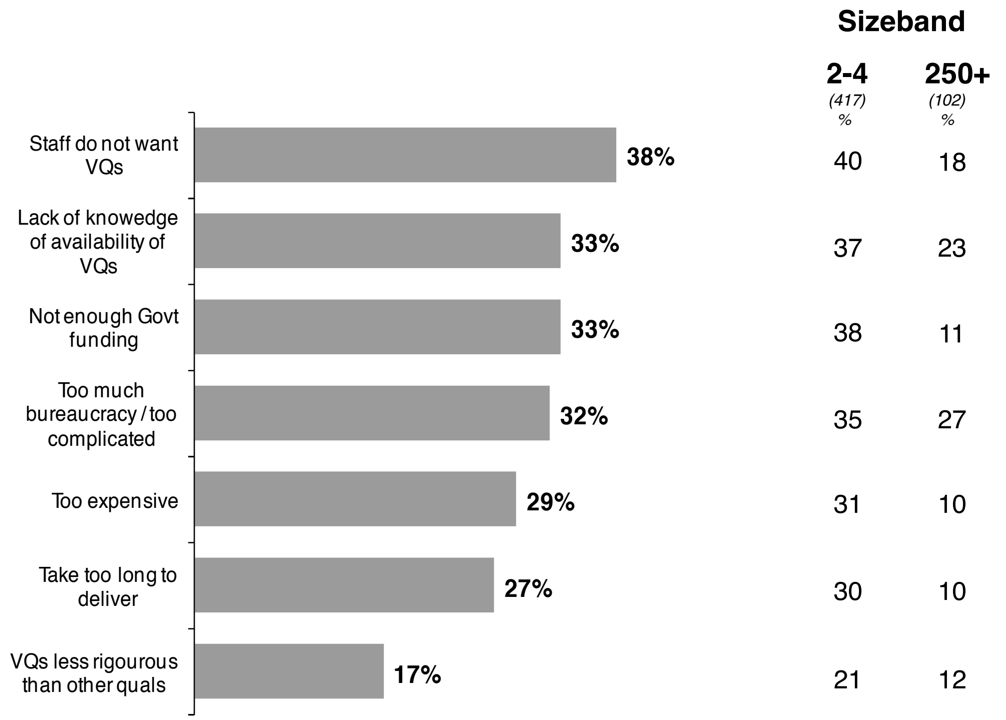
Overall, the achievement of a VQ by an employee rarely automatically leads to improved pay and/or job status / a promotion but certainly seems to increase the chance of benefits. Given that one of the main barriers to VQ training seems to be lack of enthusiasm from staff (as we will see below), the case needs to be clearly made to employees that a VQ could help accelerate their career path.

5.7 Barriers to greater uptake of Vocational Qualifications

Having considered the use of VQs and the benefits of VQs for both employers and employees, this section turns to the aspects of VQs that might be holding back uptake of VQ training.

Employers who trained their staff but not to VQs (but who were aware of them) were asked whether a number of factors were barriers to training designed to lead to VQs. Results are presented in Figure 5.14.

Figure 5.14: Barriers to the uptake of vocational qualifications



Base: All training establishments who have not funded or arranged training for recognised qualifications but who are aware of VQs (2,587)

The single most important reason for not training to VQs is the belief that staff do not want to train to them, with nearly four in ten establishments who had not trained to VQs saying this was the case. Approximately a third of these establishments said that other barriers included their lack of knowledge of VQs, that there was not enough Government funding, or that there was too much bureaucracy associated with them and that they were too complicated to organise. Few (17%) said that VQs are less rigorous than other qualifications.

The likelihood of any factor being a barrier to VQ training decreased with the size of organisation, with factors associated with cost (lack of Government funding, expense, and time taken to deliver) and staff motivation seeing the largest gaps between the answers given by the largest and the smallest establishments.

There were some differences by country in terms of the barriers to VQ training. In Scotland more establishments than the UK as a whole said that staff did not want qualifications (45% v. 38%) but fewer thought that VQs were too expensive (21% v. 29%), that there was too much bureaucracy associated with them (27% v. 32%), or that they did not know enough about them (23% v. 33%).

In Wales, on the other hand, significantly fewer establishments said that their staff did not want VQs (20% v. 38% nationally) but many more were concerned about bureaucracy (54% v. 32%). Establishments in Northern Ireland generally saw fewer barriers, and only one in five (19% v. 29% nationally) thought VQs were too expensive or that there was too much bureaucracy (22% v. 32%).

Conclusion

Levels of awareness of most main types of VQs are high (at least at a prompted level). In the case of NVQs this is backed up with reasonably detailed knowledge (less so for other VQs). However, it is still a minority of employers who have funded or arranged any VQs in the last 12 months. Training to meet legislative requirements plays a part in investment to VQs with almost half of employers stating that this was the reason for at least some of their VQ investment.

Employers can generally see benefits in investment in VQs although they are least likely to be convinced that VQs can deliver improved staff retention. In a direct comparison, NVQs are seen to deliver greater benefits than other VQs in regard to aspects such as value for money, flexibility and the amount of time that they take to deliver. These aspects are the types of issues raised by employers who do not invest in VQs as reasons for not taking this training route (they mention levels of funding, financial cost, the bureaucracy and the fact that they take too long to deliver) – hence it would appear that NVQs perhaps come closest to tackling these barriers than other VQs.

Another barrier mentioned by those who do not invest in VQs is an unwillingness of staff to undertake this type of training demonstrating that there is a case for raising the profile of VQs among both employers and employees. Sizeable majorities of employers who train to VQs state that the achievement of a VQ can lead to a pay increase and/or a promotion / improved job status which should make a persuasive case for employees to consider undertaking a VQ.

Overall, there is no single stand-out barrier to training to VQs, but there a number of factors which together will need to be addressed or considered. These include: providing more financial support to potential trainers, particularly small trainers to cover the costs of VQ training; rationalising and simplifying the bureaucracy that surrounds VQ training (specifically around funding); providing information to employers about relevant VQs to their industry; and, crucially, making the case for training to employees as well as employers.

6 Perceptions of Sector Skills Councils

Chapter Summary

- Three in ten establishments covered by an Sector Skills Council (SSC) are aware of this SSC; this is slightly up on 2005. Larger establishments and those in the public sector are most likely to be aware of their SSC.
- Depth of knowledge of the SfBn and its constituent elements is relatively low, although there is a slightly increased depth of understanding compared to 2005 in respect of the SfBn and of SSCs generally.
- SSCs are most commonly associated, in employers' minds, with *running training courses for their sector's employees.*
- The proportion of establishments who have had dealings with their SSC have increased from 2005 to 2007. The likelihood of having dealings with an SSC increases with establishment size.
- After having remained relatively static between 2004 and 2005, engagement with SSCs has increased over the last two years (from 14% of aware employers in 2005 to 20% in 2007). Engagement has increased from 2005 to 2007 for those establishments with 5 or more employees but has remained static for micro employers.
- The majority (67%) of establishments reported that they were satisfied with the dealings they had had with their own SSC in the 12 months to the survey date. The majority of establishments with an awareness of their own SSC reported that this contact had had some positive impact on skills development in their sector (59%).
- In terms of the impact the engagement with their SSC in the last 12 months has had on the establishment, 52% of those which had dealings with their SSC reported that it resulted in some change in the way they approached skills development.

6.1 Introduction

The Leitch Review made important recommendations for the future of Sector Skills Councils and sought to clarify their role within the skills system. The Review recommended SSCs have an increased role within the skills system, and a subsequent re-licensing process of SSCs has now begun, with the publication of ‘Empowering SSCs – Employer driven skills reform across the UK’ (UK Commission for Employment and Skills 2008), a prospectus providing guidance on what is expected of re-licensed SSCs. The prospectus identifies 3 key roles for the SSCs:

- Raising employer engagement, demand and investment in skills;
- Ensuring authoritative labour market information for their sectors;
- Developing national occupational standards and ensuring qualifications meet employer needs.

Although these roles are newly defined for the SSCs (and greater clarification of what they mean is provided in the prospectus) they do build on the existing roles of SSCs and thus the data in the survey can inform of us of employer perceptions of the SSCs. The existing roles were designed to meet four strategic objectives of SSCs:

- To reduce skills gaps and shortages
- Improve productivity, business and public service performance
- Increase opportunities to boost the skills and productivity of everyone in the sector's workforce
- Improve learning supply including apprenticeships, higher education and National Occupational Standards (NOS).

To do this, SSCs produced Sector Skills Agreements (SSAs) which were developed in accordance with a five stage process (which ended in March 2008) beginning with a thorough current and future analysis of skill needs within their sector and agreeing the improvements needed to meet these requirements. The SSAs are intended to build a compact between the SSC and its education and training partners.

SSCs are also producing Sector Qualification Strategies as the first stage of the UK Vocational Qualification Reform Programme (see chapter 5). These build on the SSAs by providing a detailed assessment of qualification needs, and building to a Sector Qualification Action Plan (again agreed with partners) to deliver required change to make qualifications relevant and deliver ‘economically valuable skills’ to the sector’s employers.

This chapter seeks to explore how employers engage with SSCs and their perceptions of their role and impact on the skills system. It begins by assessing levels of awareness to identify establishments which can provide more detailed consideration of the SSCs.

At the time the survey was conducted, the Sector Skills Development Agency (SSDA) and the 25 SSCs comprised the Skills for Business network and thus the questions about ‘the network’ refer to this[11] (see Annex 2 for definition of SSCs).

6.2 Awareness and Understanding of SSCs

The genesis and evolution of the SSC network was a relatively complex affair, with new organisations emerging from (groups of) legacy organisations (the NTOs) and other organisations. Reflecting this complexity, Skills for Business network surveys have developed a relatively complex set of questions designed to measure awareness of the network and of its constituent elements. This set of questions was adopted for the 2007 survey (in order to ensure comparability with the 2005 and 2004 results) and flowed as follows.

Firstly, employers were given a chance to mention their SSC ***spontaneously*** as one of the organisations they would approach for advice on skills and training related issues, and then as one of the business support organisations they were aware of. Where employers spontaneously cited “SSCs” (generally) as organisations they were aware of and/or would approach, they were then asked to name their SSC. If after these questions they had not named their SSC, they were prompted with its name.

In addition, to cover for exceptional circumstances, employers in the ConstructionSkills sector and in the sectors covered by Skills for Care and Development and Automotive Skills who did not recognise this current name of their SSC were prompted with another name. For Construction Skills, this was as CITB and CITB-ConstructionSkills; for Skills for Care and Development this was the relevant name by which they might be known in the 4 nations[12] and for Automotive Skills, this was to reflect a change in the licence to IMI. Further detail is provided in Annex 4. However, most of the analysis presented here does not draw on this additional recognition.

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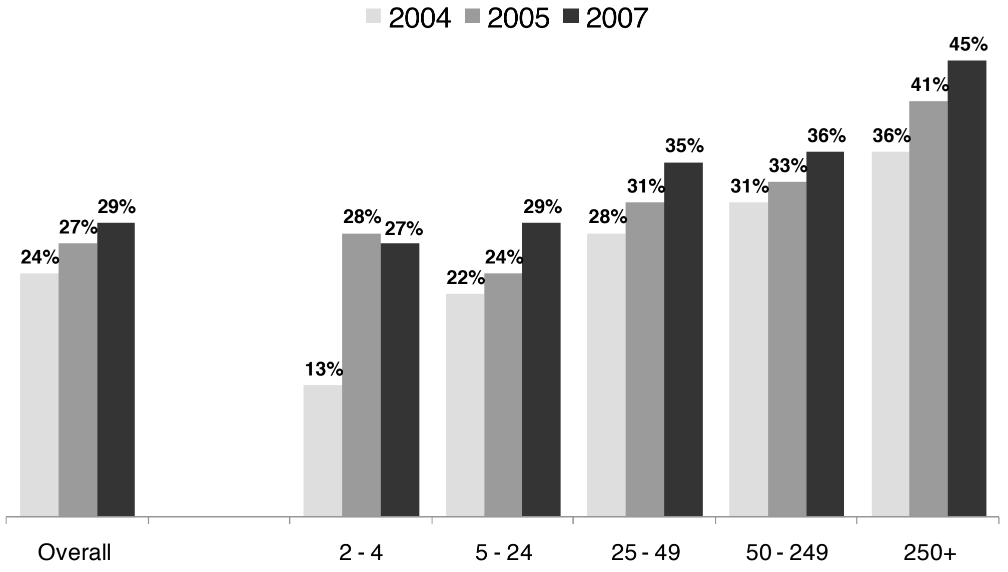
[11] The SSCs work now within the Alliance of Sector Skills Councils and the UK Commission is outside of this Alliance in delivering its Executive role with regard to the SSCs of performance monitoring and re-licensing.

[12] *Topss England* in England; *Care Council for Wales* in Wales; *Scottish Social Services Council* in Scotland; *Northern Ireland Social Care Council* in Northern Ireland

In previous surveys, a number of other SSCs had ‘legacy’ names which were included in the prompt. As the 2007 survey moved away from this, some of the measures for awareness of ‘own SSC’ cannot be compared back to 2003, thus only comparisons to 2004 and 2005 are provided. However, this does not impact on all measures, so for other analysis comparison to the first survey of 2003 is provided.

Figure 6.1 presents the awareness of employers of their SSC. Results are based on all establishments covered by an SSC and include both spontaneous and prompted awareness.

Figure 6.1: Awareness of own SSC by size of establishment, UK, 2004 – 2007



Base: All establishments covered by a SSC (12,228 in 2004), (12,094 in 2005), (12,544 in 2007)

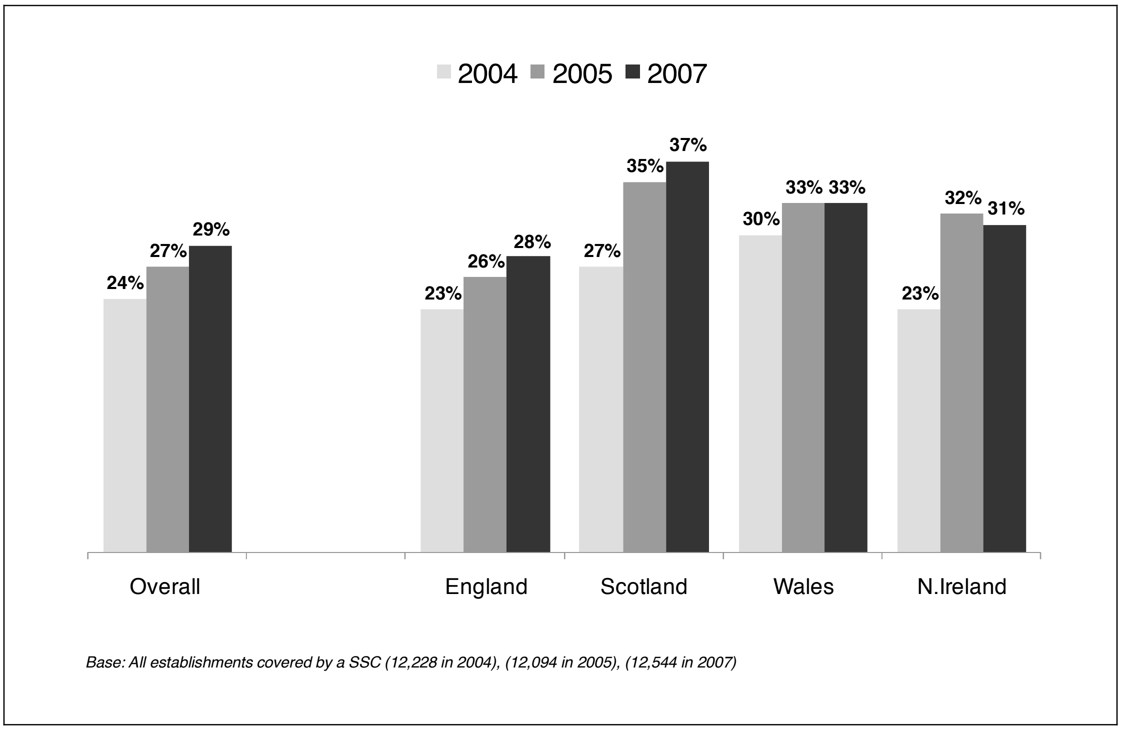
Three in ten establishments covered by an SSC (29%) were aware of this SSC. This represents a small increase on 2005, continuing the upward trend in awareness of SSCs.

Changes in awareness amongst the different size bands is not uniform; for the smallest establishments (with between 2 to 4 employees) there has been no significant change since the last survey, but awareness is double what it was in 2004. However, for larger establishments there has been a small continuing growth in SSC awareness.

Overall, larger establishments are most likely to be aware of their related SSC under its current brand. Public sector establishments are also more likely to be aware of their SSC than those in the private sector.

Establishments in Scotland are more likely than the UK average to be aware of their own SSC (see Figure 6.2). Nearly two fifths (37%) of establishments in Scotland are aware of their SSC compared to 33% in Wales, 31% in Northern Ireland and 28% in England. Both Scotland and England have shown a slight increase in the proportion of establishments aware of their own SSC.

Figure 6.2: Awareness of own SSC by country, 2004 – 2007



Base: All establishments covered by a SSC (12,228 in 2004), (12,094 in 2005), (12,544 in 2007)

6.2.1 Awareness of elements of the SfBN

Each individual SSC was part of a larger structure called the Skills for Business Network (SfBN)[13] which comprised the SSCs and the Sector Skills Development Agency (SSDA)[14] The survey sought to gauge awareness of the constituent parts of this network. To do this a similar process was pursued, with employers having two opportunities to mention each element on an unprompted basis (either as a body they would approach for advice on skills and training, or as a business support organisation they were aware of), before they were prompted with each element of the network. Results are presented in Figure 6.3.

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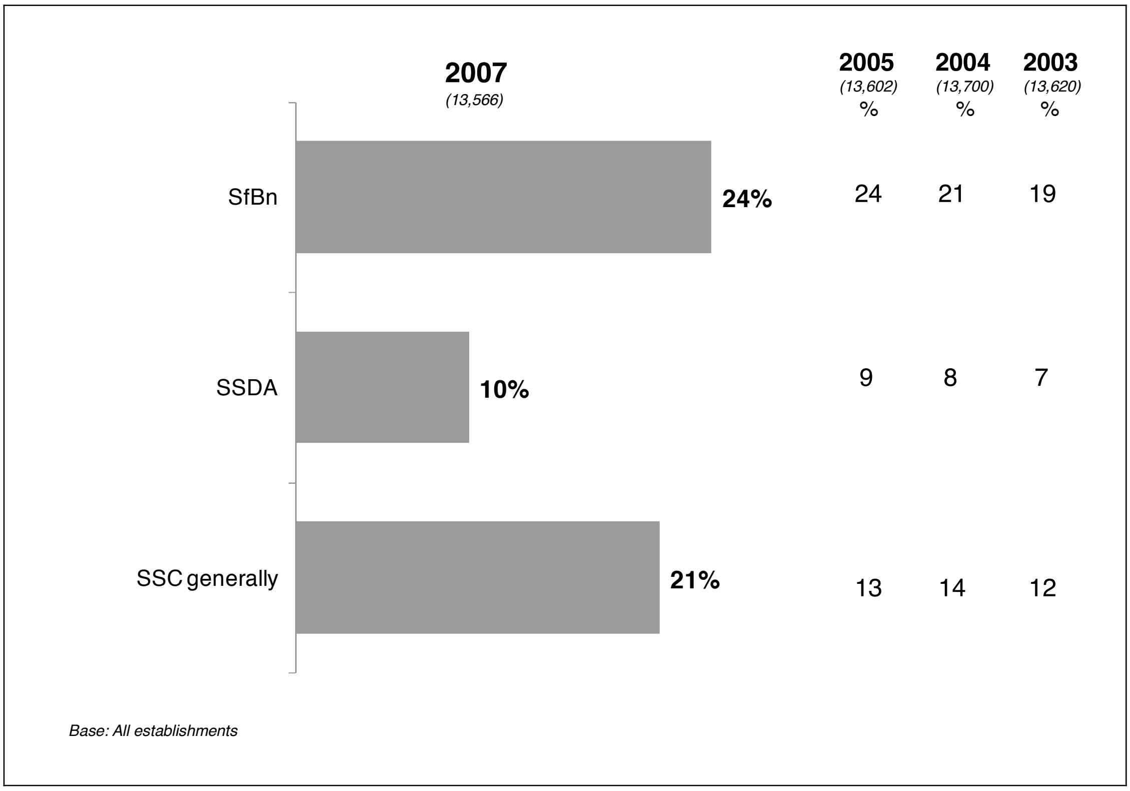
[13] Now The Alliance of Sector Skills Councils.

[14] Now merged with the National Employment Panel to form the UK Commission for Employment and Skills

Figure 6.3: Awareness of network elements



Base: All establishments

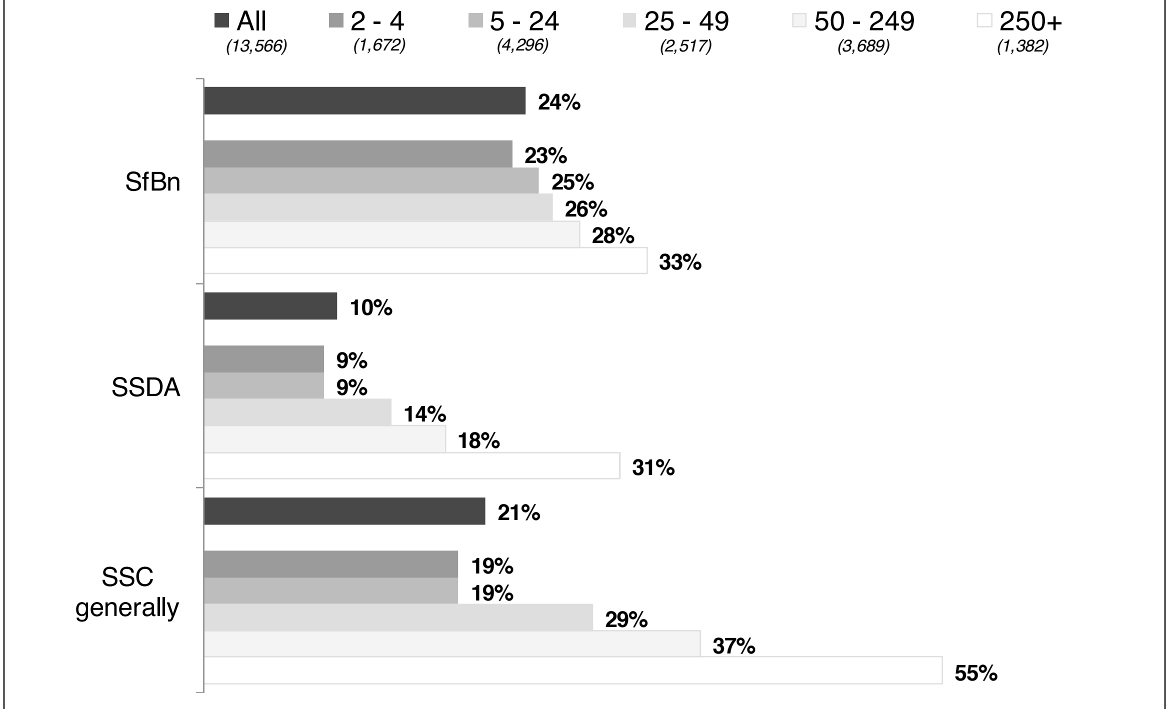
Approximately one quarter of establishments are aware of the SfBN, one fifth aware of SSCs generally and one tenth aware of the SSDA. Awareness of both the SfBN and the SSDA has remained unchanged on the previous survey. However, awareness for SSCs generally has risen by 8 percentage points from 13% in 2005 to 21% in 2007

It may appear odd that more people are aware of their own individual SSC than are aware of SSCs in general. This shows that many employers are aware of the individual SSC they are covered by, without knowing its role as part of wider system of SSCs.

Figure 6.4 demonstrates how awareness of network elements varies by establishment size. Whilst there is a positive correlation between size and awareness, this is strongest in the case of SSCs generally. Here, awareness amongst establishments rises from 19% for those with between 2 and 24 employees to 55% for those with 250 or more employees.

Growth in awareness was also more pronounced in the higher sizebands than the smaller ones. In 2005 only 37% of establishments with 250 or more employees were aware of SSCs generally, compared to 55% now, whilst the growth in awareness of SSCs generally between 2007 and 2005 in the smallest sizeband is less, at only 7%. Similarly, growth in awareness of the SSDA and SfBN was most evident in the largest sizebands, compared to the smaller ones

Figure 6.4: Awareness of network elements by establishment size



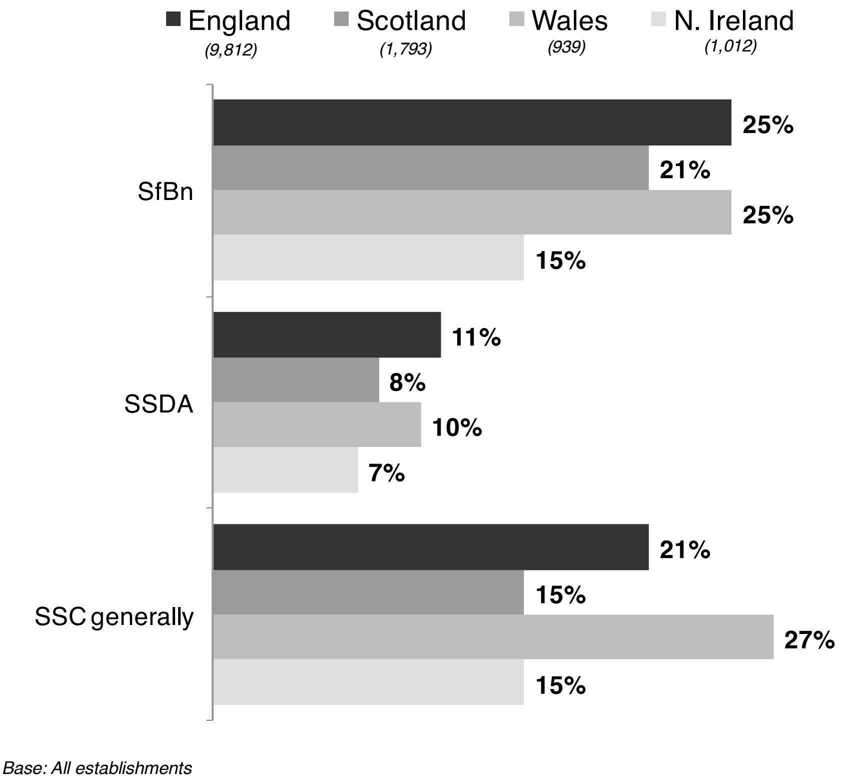
Base: All establishments (13,556)

Within the UK, establishments in England and Wales are most aware of the SfBN with one quarter of establishments in each country aware of it. Establishments in Northern Ireland are least likely to be aware, with only 15% having heard of the SfBN. Figures across the constituent countries of the UK have remained stable since 2005, with the exception of a drop of awareness in Scotland from 26% to 21% (Figure 6.5).

There is even less change in levels of awareness of the SSDA by country since 2005, with all countries being within 2 percentage points of their 2005 levels.

Just over a quarter (27%) of establishments in Wales were aware of SSCs in general, which was the highest of any country. In England one fifth of establishments are aware of SSCs generally and for both Scotland and Northern Ireland that figure is significantly lower, at 15%. Overall, awareness of SSCs in general has risen encouragingly in all countries within the UK from 2005 to 2007.

Figure 6.5: Awareness of network elements by country

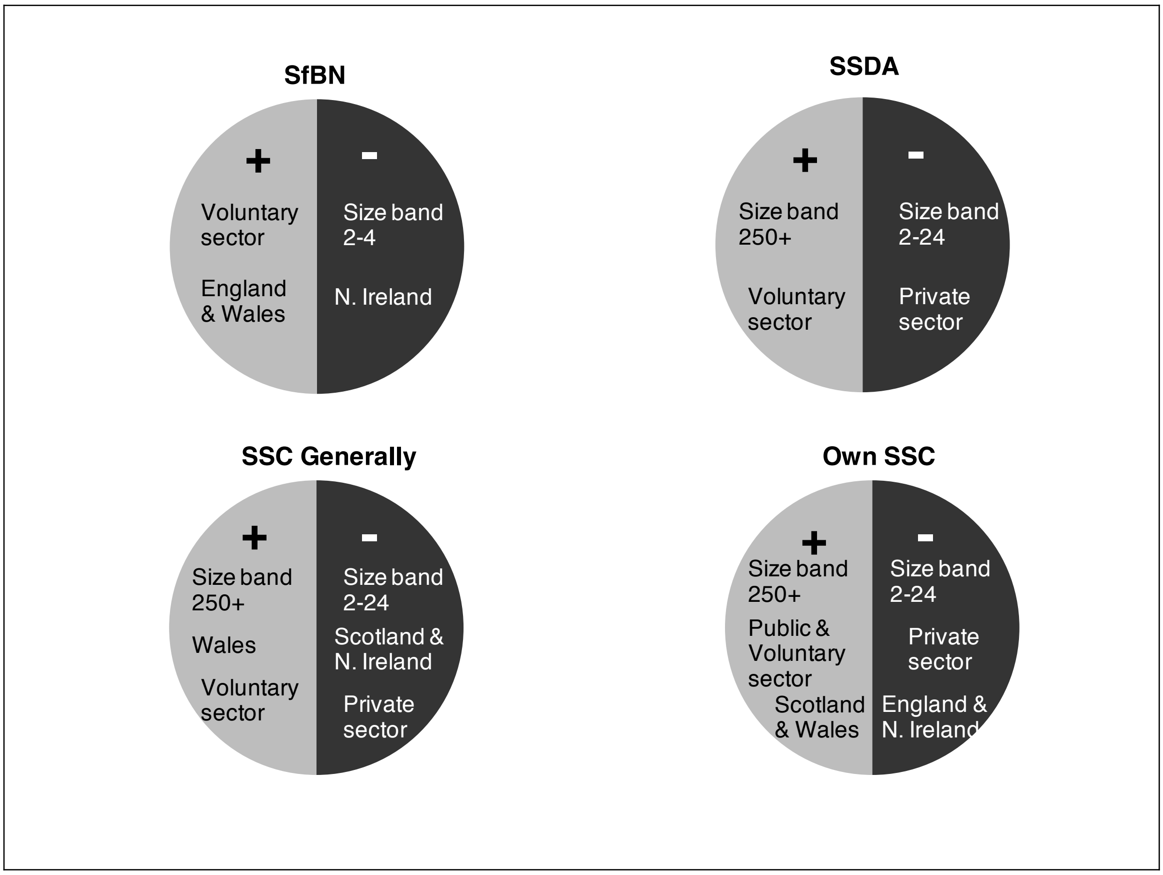


Base: All establishments

6.2.2 Awareness of network - summary

Figure 6.6 summarises key sub-groups which are more and less likely to be aware of each of the four network elements. Small establishments (those with between 2 and 24 staff) and those in the private sector have lower levels of awareness for the majority of elements of the network. The largest establishments, with 250 or more employees, and establishments in Wales have higher than average awareness of the majority of elements of the network.

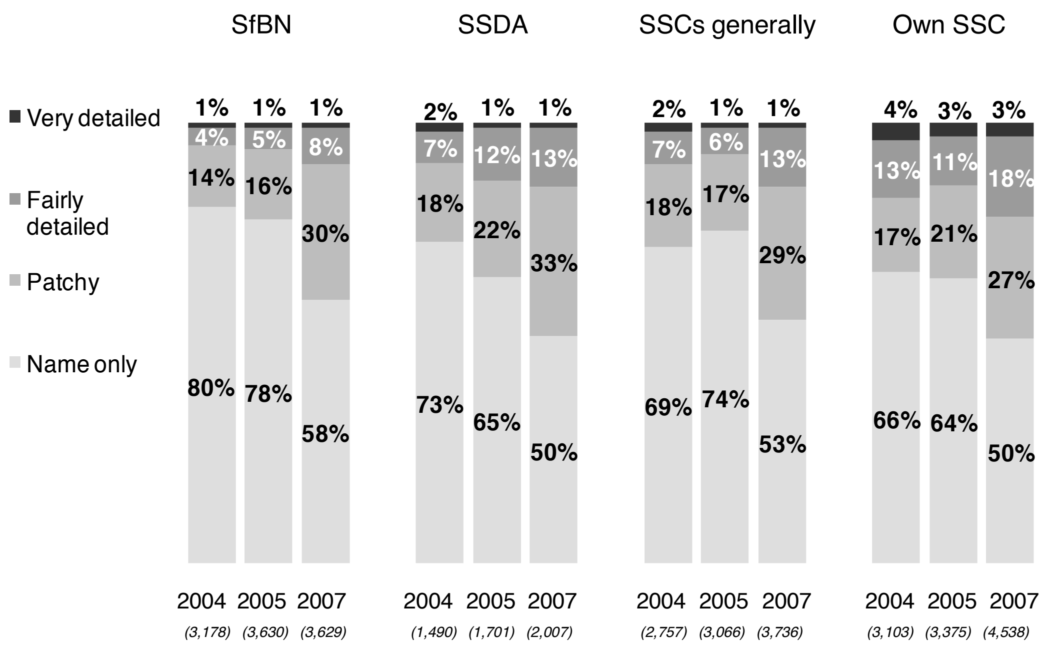
Figure 6.6: Awareness of network elements – subgroup differences


SfBN
+
Voluntary sector
England & Wales
-
Size band 2-4
N. Ireland
SSDA
+
Size band 250+
Voluntary sector
-
Size band 2-24
Private sector
SSC Generally
+
Size band 250+
Wales
Voluntary sector
-
Size band 2-24
Scotland & N. Ireland
Private sector
Own SSC
+
Size band 250+
Public & Voluntary sector
Scotland & Wales
-
Size band 2-24
Private sector
England & N. Ireland

6.2.3 Understanding of the SfBN, SSDA, and SSCs

Those establishments which were aware of an element of the network were asked about their level of understanding. Results are presented in Figure 6.7

Figure 6.7: Levels of understanding of network elements

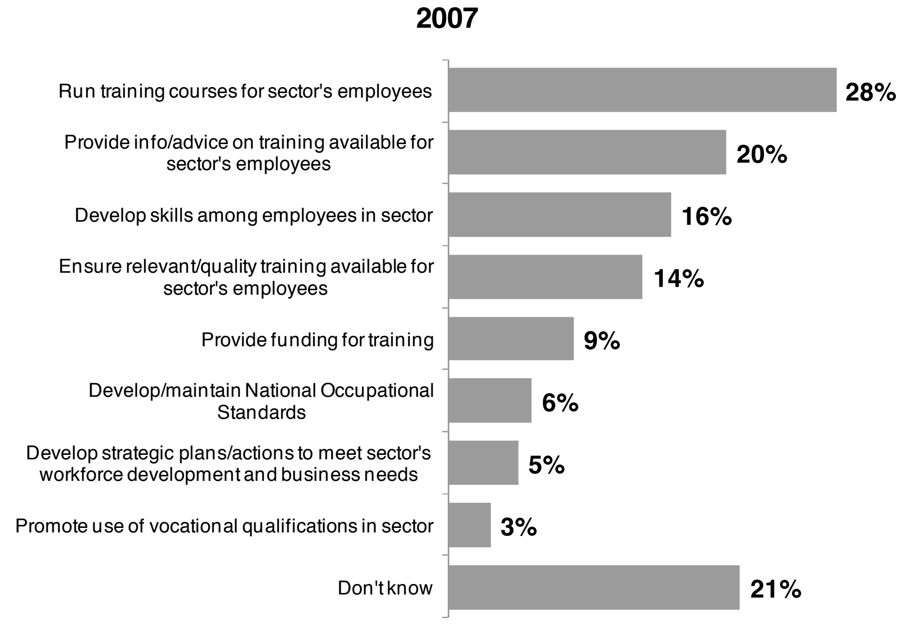


Base: All establishments aware of each element of network

Depth of knowledge is increasing across all elements in the network. Fewer have name only awareness, and more have patchy or fairly detailed knowledge although there has been little change in the proportion of establishments claiming very detailed knowledge .

To further expose the level of understanding, employers who have at least a patchy understanding of their SSC were asked what its role was. Results are presented in Figure 6.8.

Figure 6.8: Perceived role of own SSC



Base: All establishments with an understanding of roles and objectives of own SSCs (2,574)

The role most frequently cited by establishments was running training courses for the sector's employees, which was reported by 28% of establishments. This was the most commonly perceived role of SSCs in previous waves, and the figure has remained stable. Providing information and/or advice on training available is reported by 20%, which has also remained stable in recent years.

A fifth of establishments who claimed to have an understanding of the roles and objectives of their SSC were unable to say what its role was.

6.3 Engagement with SSCs

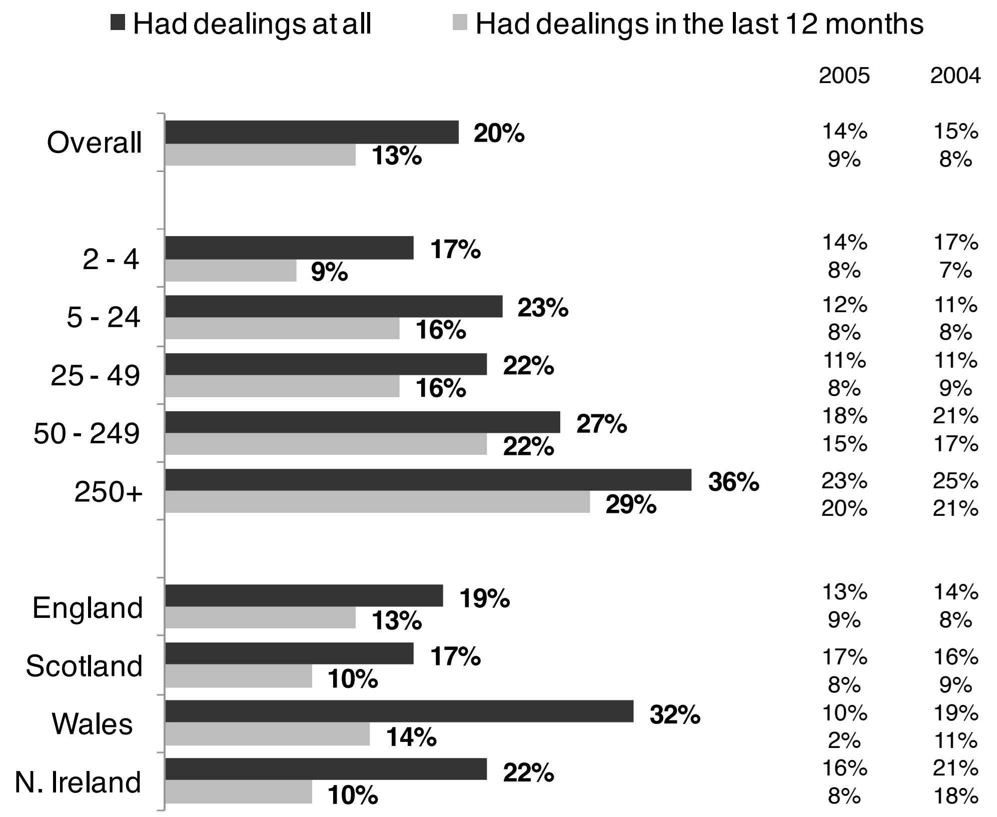
Simply having heard of, or understood, the constituent elements of the network is not enough to influence the behaviour of employers. Awareness of the constituent elements is the first stage in building a relationship and engaging with employers to deliver the services they can provide. The concept of employer engagement is difficult to define, but the SSDA identified five modes of engagement:

- Employers engaged in SSC strategy and organisational development
- Employers engaged in the design and delivery of initiatives and provision
- Employers utilising initiatives and training provision
- Research and intelligence
- Mass communications

For the purposes of this survey, employers have been asked to say whether they feel they have been engaged, by being asked whether they have "had dealings." The raw numbers of employers who have been engaged by SSCs is important, but it is worth noting that more active or strategic engagement of employers is more likely to have an *effect* on employers, compared to more 'passive engagement' such as receipt of mass communications (for example, signing up to internet newsletters and receiving flyers) and being involved in research and intelligence (for example, being interviewed). The proportions of employers 'engaged' therefore, is only part of the story in terms of understanding the impact of SSCs in a sector.

Figure 6.9 presents the proportion of establishments which have had dealings with their SSC.

Figure 6.9: Engagement with own SSC



Base: All establishments who are aware of own SSC (4,316)

A fifth of establishments who were aware of their own SSC had ever had dealings with it, with 13% having done so in the last year. This represents an increase on those seen for 2005 which stood at 14% and 9% respectively.

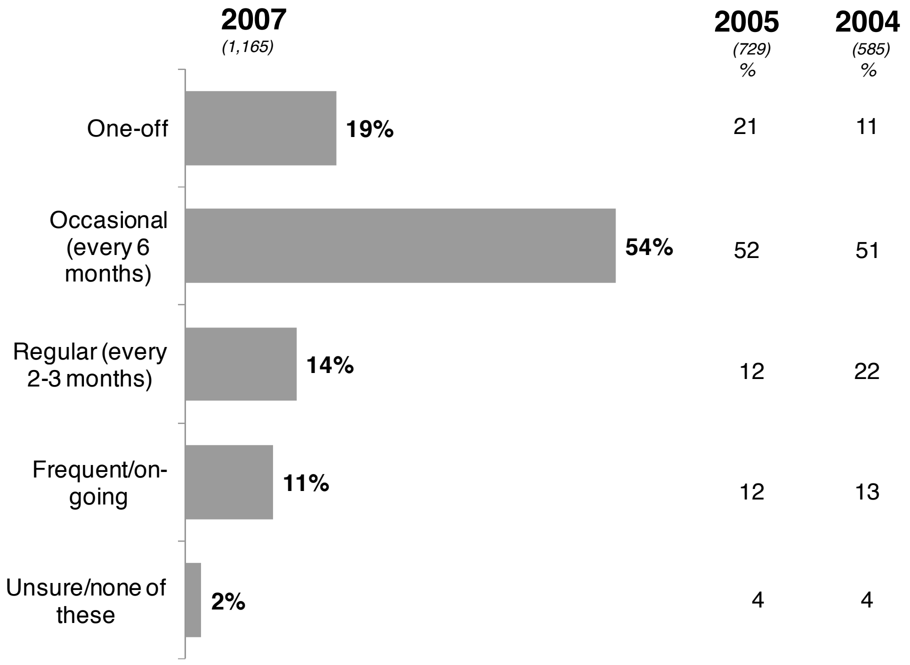
The likelihood of an employer having had dealings with their SSC increases with the size of the establishment and proportions have increased from 2005 to 2007 in each size band. Over a third (36%) of the largest establishments who are aware of their SSC have at some point had dealings with it.

Within the UK, establishments in Wales are most likely to have had dealings with their SSC either ever (32%) or within the 12 months prior to the survey date (14%). The growth since 2005 is significant; the proportion that had had dealings ever and in the last year was 10% and 2% respectively in 2005, although the proportions were higher in 2004.

6.4 Nature of Engagement with SSCs

Establishments which had ever had dealings with their SSC were asked to indicate the frequency of their engagement. Results are presented in Figure 6.10.

Figure 6.10: Frequency of contact with own SSC – time series

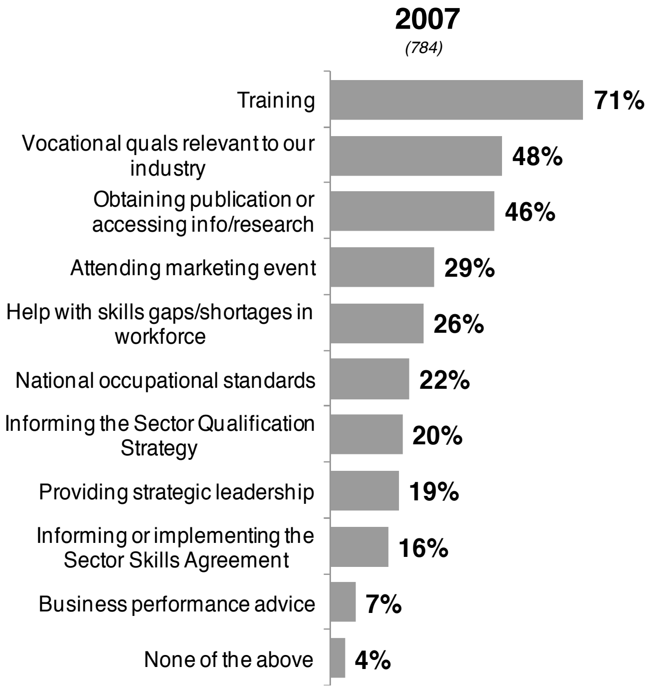


Base: All establishments who have ever engaged with their SSC

Contact that establishments have with their SSC is most commonly described as occasional; around a half of establishments have had dealings with their SSC occasionally (around every 6 months). A quarter of establishments have frequent or regular contact – these employers can be thought to have developed a deeper relationship with their SSC. One fifth of establishments contacted their SSC on a one-off basis.

Establishments which had had dealings with their own SSC were asked about the type of dealings they had had with their SSC.[15] Results are presented in Figure 6.11.

Figure 6.11: Nature of dealings with own SSC



	2005 (449) %	2004 (426) %
Training	*	*
Vocational quals relevant to our industry	45	32
Obtaining publication or accessing info/research	33	32
Attending marketing event	20	16
Help with skills gaps/shortages in workforce	24	32
National occupational standards	28	20
Informing the Sector Qualification Strategy	*	*
Providing strategic leadership	16	15
Informing or implementing the Sector Skills Agreement	*	*
Business performance advice	10	10
None of the above	12	7

** Denotes question was not asked in respective year*

Base: All establishments who have ever engaged with their SSC in the last year,

The most common reason for employers' dealings with an SSC was to do with training, with seven in ten (71%) having had dealings for this reason. Gaining information about vocational qualifications relevant to the establishment's industry and obtaining publications or accessing information and/or research were the next most frequently cited reasons for SSC engagement with nearly a half of establishments (48% and 46% respectively) having had dealings for these reasons.

Between one fifth and three in ten establishments had dealings with their SSC for each of: attending a marketing event (29%), getting help with skills gaps and skills shortages in the workforce (26%), National Occupational Standard (22%), and providing strategic leadership (19%).

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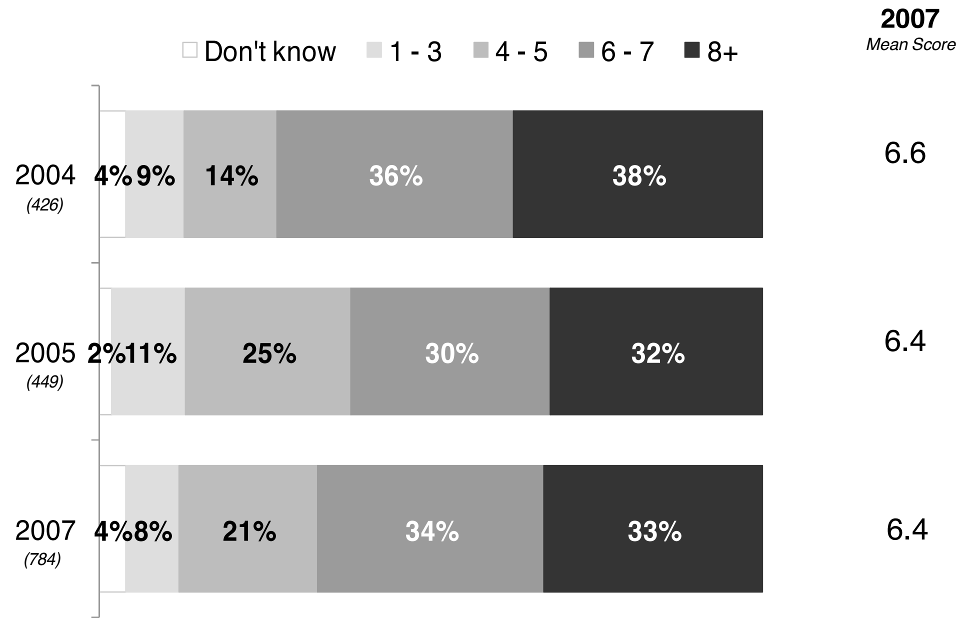
[15] This question was slightly altered in 2007 from previous years. This year, employers were asked if they had had dealings to do with 'Training,' whilst in previous years this had been split between those who had taken training courses run by their SSC, those who had had advice about training, and those who had accessed funding for training.

6.5 Satisfaction, Advocacy and Impact

Establishments which had dealings with their SSC during the past 12 months were asked to rate their satisfaction with these dealings, both at an overall level and in relation to the specific dealings they had had. Establishments rated their experience on a scale of 1-10, with ‘1’ meaning highly dissatisfied and ‘10’ meaning highly satisfied. A rating of 6 or more is taken to be satisfied in subsequent analysis.

Overall, two thirds (67%) of establishments reported that they were satisfied with the dealings they had had with their own SSC in the 12 months prior to the survey date, giving a mean score of 6.4 out of ten.

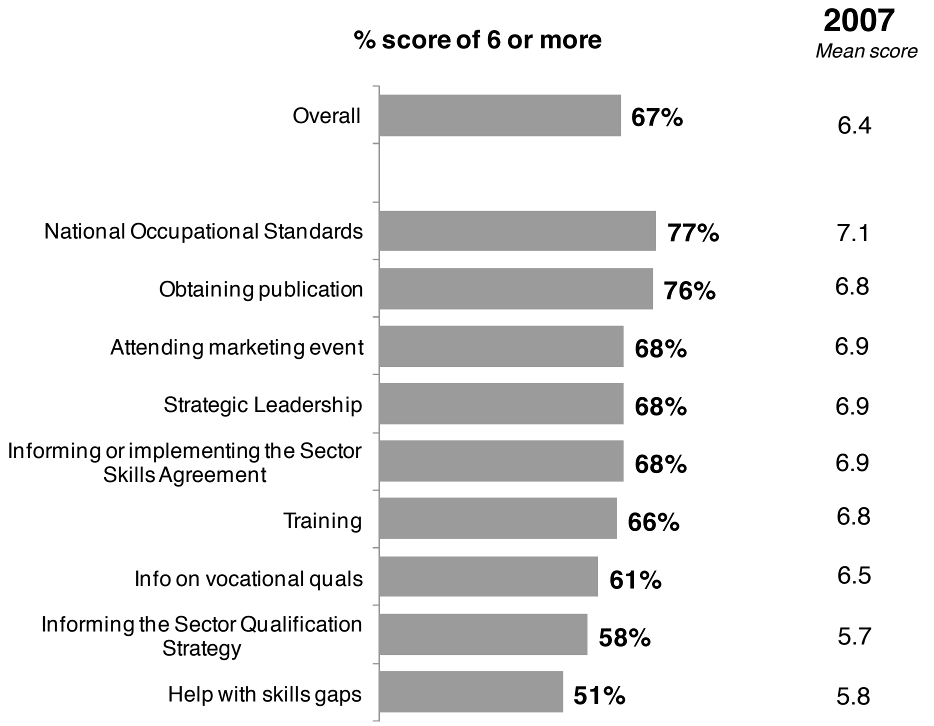
Figure 6.12: Overall satisfaction with dealings in last 12 months



Base: All establishments who have engaged with the SCC for reasons other than completing a levy return form

Employers were also asked about their satisfaction with the individual services they had had dealings with their SSC about during the past 12 months. Results are presented in Figure 6.13.

Figure 6.13: Satisfaction with individual contacts in last 12 months



Base: All establishments who have ever engaged with their SSC in the last year, and who know it by its correct name (784)

On average, employers were satisfied with their dealings with their SSC in all but two categories. In fact, all the average satisfaction scores for the individual types of dealings (except help with skills gaps and informing Sector Qualification Strategies) are above the average score for all dealings (6.4), showing that employers are more satisfied when reminded of the specifics of their engagement than when thinking generally.

National Occupational Standards received the highest average satisfaction score of 7.1 (with 77% of respondents being satisfied). Public sector establishments are more satisfied than private sector establishments giving a mean score of 7.4 compared to 6.9 for the private sector.

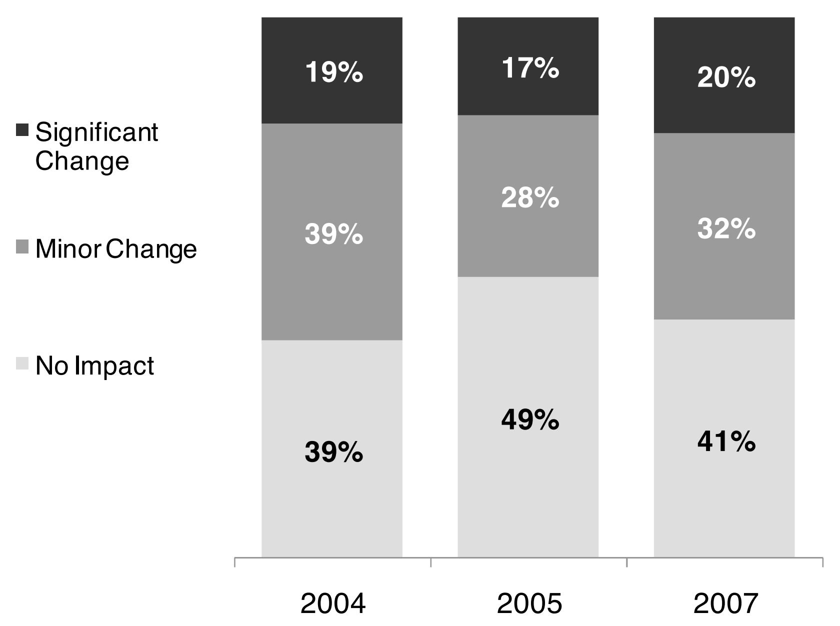
Obtaining publications closely follows with 76% of those who have used this service in the last year being satisfied, and a mean score of 6.8. Again, public sector establishments are more satisfied than private sector establishments giving a mean score of 7.7 compared to 6.9 for the private sector.

Getting help with skills gaps was the service with which the smallest proportion of establishments were satisfied. Only half (51%) were satisfied, and the average score was below the threshold for satisfaction, at 5.8.

6.6 Impact on Establishments and Sector

Given the diversity of different types of engagement with SSCs, ranging from receipt of mass communications to helping devise SSC initiatives and provisions, the levels of employer engagement are not the final word in the impact of SSCs on their sector. To understand this, employers who had had dealings with their SSC were asked about the impact their SSC had had on their approach to skills development. Results are presented in Figure 6.14, which also tracks changes over time.

Figure 6.14: Impact on establishment's approach to skills development



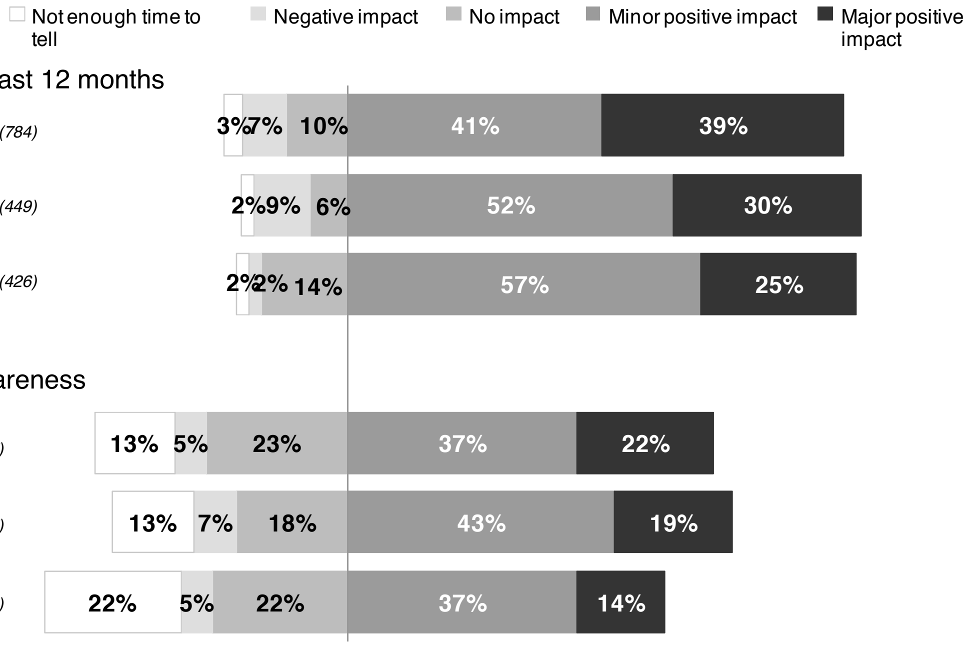
Base: All establishments who have ever engaged with their SSC in the last year

Encouragingly, over half (52%) of establishments reported that their dealings with their SSC had resulted in some form of change in their approach to skills development. For 20% of those establishments which had engaged with their own SSC this change was significant and for 32% the change was minor. Two in five (41%) reported no impact.

This is an improvement on the situation in 2005 when only 45% of establishments reported dealings with their SSC had affected their approach to skills development, although it is not as good as in 2004, when 58% did, although this was on a much smaller base of engaged establishments.

Establishments with at least a patchy understanding of their SSC's were also asked their opinion of their SSC's impact on skills development in the sector more broadly. Results are presented in Figure 6.15.

Figure 6.15: Impact on skills development in sector



Base: All establishments who have ever engaged with their SSC in the last year

Base: All establishments aware of their own SSC

Those who had dealings with their own SSC in the 12 months prior to the survey date were more likely to report it had had a positive impact on the sector. Eight in ten (80%) of those who had engaged with their own SSC in the past 12 months reported a positive impact which was evenly split between those who thought it had had a major and a minor positive impact. Whilst the overall proportion who consider their SSC has had a positive impact has remained stable, the proportion who think it has been a major positive impact has gradually grown.

Of all those with awareness six in ten (59%) of establishments reported that their SSC had had some positive impact on skills development in their sector. 37% reported a minor positive impact and 22% a major positive impact. Only 5% reported that the impact had been negative. 23% reported that there had been no impact. Figures are broadly in line with those seen for previous survey dates.

While awareness of the SfBN and the SSDA stabilised between 2005 and 2007, awareness of the SSCs in general and of employers' own SSCs has increased steadily. There is evidence that there is some way to go in educating employers about the role of SSCs; SSCs are most commonly associated, in employers' minds, with *running training courses for their sector's employees.*

The proportion of aware establishments who have engaged with their SSC has shown a considerable increase over the last 2 years demonstrating that employers are more likely to see compelling reasons to engage with their SSC in 2007 than was the case at the network's inception. Delivering the greater focus on employer needs that the Leitch report has called from SSCs for should lead to further increases in engagement levels in coming years.

7 In conclusion

Overall, the survey presents a picture of stabilising or decreasing skill challenges for UK businesses, greater use of training practices and high performance working practices and increased engagement with SSCs. But this is a picture of slow improvement, with further scope for improvement if the UK Commission for Employment and Skills is to deliver its remit and key distinctions remain – especially between small and larger establishments.

Skill related recruitment problems and deficiencies in the workforce represent a decreasing challenge for employers although they remain an issue for around half of establishments. Retention of key staff is (also) recognised as a significant challenge by a significant minority (three in ten). The survey suggests that employers who experience one type of difficulty are more likely to experience another, so skills problems may be compounded within an establishment's workforce.

Formal training is common, and informal workforce development practices are the norm.

There is little evidence that the latter are used at the expense of the former – rather, formal and informal practices are most commonly adopted to complement each other. In overall terms, it is increasingly common for workforce development activity to be enshrined within a training plan and/or budget.

Increases in the adoption of development practices have not been matched by increasing practices to better deploy skills. There have been fewer changes in approaches to employer engagement (through consultation, for example) or in practices designed to improve the ways in which skills (and attitudes) are applied in the pursuit of the organisation's goals (e.g. formalised operational and HR practices, flexible and performance-based rewards and remuneration). Does this mean that we are building the skills of the workforce but not getting the most out of these newly developed skills?

Progress seems to have been made as to the benefits / merits of training, with employers more likely to be constrained in their development activity by logistical or operational issues than by fundamental question marks as to the worth of training. There remain a rump of (around a quarter of) employers who question whether (formal) training is the best way to develop skills and/or who have been put off by poor past experiences of training; a larger proportion question whether suitable provision is available to them.

Information failure is also a frequently cited barrier to (more) training activity. More than a quarter of employers are not very confident or have no confidence at all in where to go for advice about training issues. Awareness and understanding of SSCs and engagement with SSCs have all increased since the last survey, however. Most dealings are training related.

Information failure is also apparent in terms of VQs; prompted awareness of VQs is almost universal, but there is scope for improving depth of knowledge. Whilst general views tend to be quite favourable, this does not always translate to usage of VQs to accredit training or in recruitment. Around a third of employers currently train to a VQ and a further 9% have at some point in the past. For around half of these employers legislative requirements were at least in part behind the drive to train to qualifications. That staff reluctance to train to VQs is the main barrier reported by employers suggests the importance of dialogue and for both employers and employees to be persuaded of the case for training and qualifications.

The shifting roles of SSCs and the programme of VQ reform are designed to address some of these issues. By building on the sector impacts of SSCs reported by employers and ensuring an employer voice in the design and delivery of skills, further progress can be made on challenges identified in the survey, such as firm level barriers to training; lack of detailed knowledge of the skills system and the wide range of organisations employers approach for help; making the business case for skill development and skill deployment and tackling persistent and compounded skill challenges faced by UK employers.

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APPENDIX 1: Technical details

This appendix provides further detail on the methodology of the Skills for the Workplace: Employer Perceptions Survey 2007. It provides information on;

- Sampling strategy / setting quota targets
- Sample source
- Questionnaire design
- Pilot Exercise
- Allocation of achieved interviews to SSCs
- Response rates
- Profile of achieved interviews
- Weighting strategy

Sampling Approach

The sample design for the survey was complex. The Skills for Business network covers the whole of the business population of the UK and as such the survey was also designed for this level of coverage.

Additionally, key technical requirements of the Employer Survey guided the development of the sampling approach. It was necessary to be able to report headline results with confidence[16] for:

- Each SSC at the UK level: The sample needed to be sufficient to capture the footprint of each SSC by 4-digit SIC and allow sufficient analysis within SSC
- The Network at the UK level
- The Network in England, Wales, Scotland and Northern Ireland: It was not necessary to report individual SSCs at the country level, although sampling needed to ensure that the survey was representative of employers across the four countries.

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[16] Headline results at each of these levels were required to have confidence intervals of +/- 5% at the 95% confidence level.

While the survey was designed to be representative of the whole business population, one notable exception to this is that the survey excluded self-employed people working on their own. In sampling terms, and arguably also in terms of engagement, self-employed individuals working on their own (or in an informal family business) stand out from the remainder of the business population. By definition, they do not have responsibility for employees they can develop, and so workforce development in their case equates to individual or personal development. Investigation of their skill needs and challenges calls for a very different type of enquiry. Moreover, from a research process perspective, accurate figures for the number of self-employed individuals and lists of their contact details are difficult to establish. For both of these reasons, the self-employed were excluded from the employer survey. The research is therefore a survey of establishments with at least two people working in them, as was the case in previous years.

The 2007 survey used the same sampling approach used for all previous waves of the survey, thus ensuring comparability. Although the approach remained the same, the footprints of some SSCs had changed since 2005. (The current footprint of each SSC, and the changes from the last wave, are represented in an Appendixes 2 and 3).

To maximise the potential for analysis of findings for establishments in each of the aggregated sectors covered by the individual SSCs, the sample adopted a stratified quota target approach. That is, the survey was configured to achieve an equal number of interviews (500 interviews) with employers covered by each of the individual SSCs.

A final consideration was that around a fifth (20.3%) of establishments are not covered by an SSC. These were divided into 2 broad sectors (first, primary industries and retail / wholesale establishments; and second, business services and public services establishments) and a discreet quota target of 500 interviews was set for each of these sectors.

Target allocation of the 500 interviews for each sector to size and geographic quota cells used a modified Probability Proportionate to Size (PPS) approach. The population figures used to determine the proportion of the SSC's population (defined by SIC code) within each subsector and sizeband were obtained from ONS (IDBR).

Unfortunately, SIC codes can not differentiate between establishments in Central Government (covered by Government Skills SSC), and local government establishments (which are not covered by an SSC). Therefore, in order to establish central and local government population figures (for sampling and weighting purposes) IFF Research manually categorised all establishments covered by the relevant SIC codes as belonging to either central or local government. The full list of establishments within the relevant SIC codes was also obtained from the IBDR.

The next step was to allocate interviews to sizeband within SSC. As a starting-point, the interviews for each sub-sector were allocated to sizeband proportionate to the share of SSC employment accounted for by that sizeband. However, the practicalities of achieving interviews within a realistic timetable meant that these initial figures sometimes had to be 'capped' so each cell target represented no more than 1 in 4 of the population. Within each sub-sector, if the initial distribution of interviews meant that a cap was exceeded then the interviews above the cap were redistributed to the size-band below.

The same method was used for the 2 non-SSC groups.

As a final stage, a 'rim' quota for nation within the UK was overlaid on the SSC by sizeband matrix. Broad quotas were set for England, Scotland, Wales and Northern Ireland. This approach allowed for reporting on the four countries at the Network level; ensuring sufficient sample sizes in each country and maintaining a proportionate distribution of interviews. Monitoring quotas were also set for SSC by country and for sub-sector witihin SSC.

Sample Source

The sample was sourced from Experian who own the Business Database that was previously managed by Yell Data. This has been found to be the most comprehensive source of establishment-level sample with telephone numbers.

However, the Experian database, given it is a database of businesses, is not reliable for public sector establishments, such as those covered by Skills for Justice SSC, Government Skills SSC, and local government establishments. Therefore for these types of establishment sample was taken from the lists obtained from the IDBR database.

Questionnaire Design

A great deal of the questionnaire was kept the same as in previous years, in order to facilitate time series analysis. The questionnaire kept questions used in previous waves concerning awareness of SSCs, the SSDA, and SfBN, although fewer SSC legacy names were used as prompts (only establishments covered by ConstructionSkills, Automotive Skills and Skills for Care and Development were prompted with other names for the awareness measures – see Annex 4).

The sections about dealings / satisfaction with SSCs and employer working practices were also kept from previous waves.

Due to the takeover of Automotive Skills by the Institute of the Motor Industry (IMI), unprompted awareness of IMI was counted as awareness of Automotive Skills.

Appendix 4 explains how awareness of different permutations of ConstructionSkills, CITB-ConstructionSkills, and CITB, and Automotive Skills and IMI were treated in the survey.

New to this wave were a number of questions relating to Vocational Qualifications, which will be used by the UK Vocational Qualification Reform Programme (UKVQRP). These covered both prompted and unprompted awareness of different sorts of Vocational Qualifications, what sort of vocational qualifications employers had trained to, and whether and in what ways vocational qualifications benefited staff who achieved them. A number of attitudinal statements about vocational qualifications were added, and those who funded or arranged training leading to both vocational qualifications and other types of qualifications were asked to compare them.

It is common practice in employer studies to ascertain enough information during interview to enable an accurate SIC code to be ascribed to an establishment but to actually conduct the coding exercise post-hoc. It was not possible to take this approach for this study, because of the need to establish prompted awareness of the SSC(s) that each establishment was covered by. Rather, it was necessary to allocate interviews to SSC 'live' i.e. during interview. This was achieved with a complex screening mechanism, and call backs where necessary.

Pilot Exercise

A draft questionnaire was piloted between 19th and 21st November 2007. During the pilot, a total of 55 interviews were conducted across a range of sectors, using a randomly generated sample of business establishments sourced from Experian listings. However, at an average of 26.5 minutes in length, a number of deletions had to be made from the new Vocational Qualifications section.

After cuts average interview length for the mainstage interviews was 23.5 minutes, which is acceptable for this type of interview to maintain response rate and quality of response / limit respondent fatigue.

Response rates

The overall response rate for the survey was 37%. A detailed breakdown of survey outcomes in shown in Table A1.1 below.

Table A1.1: Contact breakdown

Outcome	Number of contacts	% of all sample	% of complete contacts
Total sample	***138,090***	100%	
Ineligible	9,211	7%	
'Live' / not available during fieldwork / Out of quota	80,808	59%	
Unobtainable number	11,699	8%	
Total complete contacts	***36,372***	***26%***	***100%***
Achieved interviews	13,556	10%	37%
Respondent refusal	17,747	13%	49%
Quits during interview	1,165	1%	3%
Company policy refusal	3,904	3%	11%

The principal respondent was the most senior person responsible for human resource and personnel issues. Generally, in establishments with 25 or more employees this was the human resource / personnel director or manager. In establishments with fewer than 25 employees it was the owner, managing director or general manager.

Achieved Interviews

A total of 13,556 interviews were achieved, representing 0.8% of the UK business population. The number of interviews achieved within the footprint of each SSC is shown in the table below alongside the proportion of all UK establishments that the achieved interviews equate to.

Table A1.2: Interviews achieved by SSC

	Number of interviews achieved	Population	Achieved / Population
All establishments	***13,556***	***1,743,075***	***0.8%***
ConstructionSkills	501	140,110	0.4%
e-skills UK	485	51,680	0.9%
Semta	503	57,005	0.9%
SkillsActive	504	24,435	2.1%
People 1st	503	174,245	0.3%
Skillsmart Retail	513	231,370	0.2%
Improve Ltd	500	10,025	5.0%
Automotive Skills	488	58,230	0.8%
Cogent	510	16,155	3.2%
Skills for Logistics	508	105,845	0.5%
Skillfast-UK	500	18,720	2.7%
Proskills UK	501	19,310	2.6%
GoSkills	483	16,230	3.0%
SummitSkills	490	32,665	1.5%
Energy & Utility Skills	501	7,675	6.5%
Lantra	500	102,465	0.5%
Financial Services Skills Council	500	41,025	1.2%
Skills for Health	505	51,440	1.0%
Skills for Care and Development	517	64,410	0.8%
Skills for Justice	501	4,525	11.1%
Skillset	500	11,100	4.5%
Asset Skills	500	96,995	0.5%
Lifelong Learning UK	520	24,040	2.2%
Creative & Cultural Skills	510	24,210	2.1%
Government Skills	501	4,784	10.5%
SSDA1	502	30,940	1.6%
SSDA2	510	323,441	0.2%

Table A1.3 shows the number of achieved interviews by sizeband and geography.

Table A1.3: Interviews achieved by sizeband and geography

Country		Total	Number of employees 2-4	5-24	25-49	50-249	250+
England		9,812	1,120	3,011	1,810	2,745	1,126
	North	2,524	260	745	479	707	333
	Mid	3,060	370	924	569	876	321
	South	4,228	490	1342	762	1162	472
Scotland		1,793	287	579	318	484	125
Northern Ireland		1,012	132	394	225	193	68
Wales		939	133	312	164	267	63
Total		**13,556**	**1,672**	**4,296**	**2,517**	**3,689**	**1,382**

Table A1.4 shows the number of achieved interviews by sizeband and SSC.

Table A1.4: Interviews achieved by sizeband and sector

Country	Total	Number of employees 2-4	5-24	25-49	50-249	250+
ConstructionSkills	501	76	161	75	151	38
e-skills UK	485	63	137	102	151	32
Semta	503	26	96	71	183	127
SkillsActive	504	41	155	143	150	15
People 1st	503	51	211	91	123	27
Skillsmart Retail	513	71	181	75	118	68
Improve Ltd	500	14	99	125	185	77
Automotive Skills	488	86	202	89	98	13
Cogent	510	23	142	104	186	55
Skills for Logistics	508	47	133	90	189	49
Skillfast-UK	500	96	221	81	94	8
Proskills UK	501	60	171	114	137	19
GoSkills	483	49	156	105	132	41
SummitSkills	490	111	213	109	53	4
Energy & Utility Skills	501	119	225	62	77	18
Lantra	500	191	196	56	48	9
Financial Services Skills Council	500	32	166	93	143	66
Skills for Health	505	19	107	119	201	59
Skills for Care and Development	517	27	173	131	163	23
Skills for Justice	501	18	107	77	136	163
Skillset	500	116	275	55	44	10
Asset Skills	500	112	181	64	109	34
Lifelong Learning UK	520	22	81	138	143	136
Creative & Cultural Skills	510	75	184	110	120	21
Government Skills	501	24	86	79	187	125
SSDA1	502	55	133	74	183	57
SSDA2	510	48	104	85	185	88
Total	**13,556**	**1,672**	**4,296**	**2,517**	**3,689**	**1,382**

Weighting strategy

Final data were grossed to reflect the total business population of establishments with 2+ employment using a sub-sector by sizeband grid for each SSC. Population figures were obtained from the ONS Inter Departmental Business Register (IDBR) (and defined using SIC codes with the exception of Central / Local Government establishments, as described above). Over the top of these cell weights, a rim weight for country by SSC was imposed to correct for the over-sampling of Scotland, Wales and Northern Ireland within the survey design.

Due to the highly stratified sample design whereby a number of sub-groups were boosted whilst others were under-represented, the weights resulted in a design effect of 8.52, and the overall effective sample size is reduced from 13,3556 to 1,590. Tables A1.5 and Table A1.6 provide details of effective sample size, design effect, and statistical reliability by country, sizeband and sector.

Table A1.5: Effective sample size and statistical reliability by country

	Number of interviews achieved	Design Effect	Effective Sample Size
All establishments	***13,556***	**8.52**	**1,590**
England	9,812	8.01	1,225
Scotland	1,793	8.28	217
Wales	939	6.77	139
Northern Ireland	1,012	7.32	138

Table A1.6: Effective sample size and statistical reliability by sizeband

	Number of interviews achieved	Design Effect	Effective Sample Size
All establishments	***13,556***	**8.52**	**1,590**
2-4 employees	1,672	3.08	543
5-24 employees	4,296	3.25	1,322
25-49 employees	2,517	3.51	716
50-249 employees	3,689	2.41	1,530
250+ employees	1,382	1.97	701

APPENDIX 2: SSC Footprints (SIC definitions)

SSC name	SSC description	SIC definition
Lantra (www.lantra.co.uk)	Environmental and land-based industries	1, 2, 5.02, 20.1, 51.88, 85.2, 92.53
Lantra also covers industries which are small elements of other SIC codes not necessarily within their core, e.g. floristry, fencemaking, farriery.		
Cogent (www.cogent-ssc.com)	Chemicals, nuclear, oil and gas, petroleum and polymer industries	11, 23–25 (excluding 24.3, 24.64, 24.7, 25.11, 25.12), 50.5
Cogent also covers the nuclear industry and signmaking, but it is not possible to isolate these in terms of SIC.		
Proskills UK (www.proskills.co.uk)	Process and manufacturing of extractives, coatings, refractories, building products, paper and print	10, 12–14, 21.24, 22.2, 24.3, 26.1, 26.26, 26.4–26.8
Improve Ltd (www.improveltd.com)	Food and drink manufacturing and processing	15 (excluding 15.92), 51.38
Skillfast-UK (www.skillfast-uk.org)	Apparel, footwear and textile industry	17–19, 24.7, 51.16, 51.24, 51.41, 51.42, 52.71, 93.01
Semta (www.semta.org.uk)	Science, engineering and manufacturing technologies	25.11, 25.12, 27-35, 51.52, 51.57, 73.10
Semta also covers science sectors, not exclusively defined by SSC.		
Energy & Utility Skills (www.euskills.co.uk)	Electricity, gas, waste management and water industries	37, 40.1, 40.2, 41, 60.3, 90.01, 90.02
Energy & Utility Skills also has an interest in gas fitters, covered by SummitSkills SSC.		
ConstructionSkills (www.constructionskills.net)	Development and maintenance of the built environment	45.1, 45.2, 45.32, 45.34, 45.4, 45.5, 74.2
A substantial proportion of construction work is sub-contracted to self-employed individuals (without employees) who will be excluded from this survey.		

SummitSkills (www.summitskills.org.uk)	Building services engineering (electro-technical, heating, ventilating, air conditioning, refrigeration and plumbing)	45.31, 45.33, 52.72
Automotive Skills (www.motor.org.uk)	Retail motor industry	50.1–50.4, 71.1
Skillsmart Retail (www.skillsmartretail.com)	Retail industry	52.1–52.6
People 1st (www.people1st.co.uk)	Hospitality, leisure, travel and tourism	55.1, 55.21, 55.23, 55.3-55.5, 63.3, 92.33, 92.71
GoSkills (www.goskills.org)	Passenger transport	60.1, 60.21–60.23, 61, 62.1, 62.2, 63.2, 80.41
Skills for Logistics (www.skillsforlogistics.org)	Freight logistics industry	60.24, 63.1, 63.4, 64.1
Skills for Logistics also covers rail and water freight transport, for which there are no specific SIC codes.		
Financial Services Skills Council (www.fssc.org.uk)	Financial services industry	65–67
Asset Skills (www.assetskills.org)	Property, housing, cleaning and facilities management	70, 74.7
Facilities Management, although as an industry is included in SIC code 70, is also an occupation employed across all industries, so is not fully represented through SIC. Some social Housing Management activity also falls within 85.31 Social Work activities with accommodation.		
e-skills UK (www.e-skills.com)	IT and telecoms	22.33, 64.2, 72
e-skills UK covers IT and telecoms professionals across all industries. A fast-changing sector, its boundaries are continually changing.		
Government Skills (www.government-skills.gov.uk)	Central government	75.1, 75.21, 75.22, 75.3
Most of the above SIC codes also incorporate local government. As it is not possible to identify through SIC, employers in these sectors were asked an additional question to ascertain whether they were central or local government establishments.		
Skills for Justice www.skillsforjustice.com	Custodial care, community justice and police	75.23, 75.24

Lifelong Learning UK www.lluk.org	Community-based learning and development, further education, higher education, library and information services, work-based learning	80.22, 80.3, 80.42, 92.51
Skills for Health www.skillsforhealth.org.uk	NHS, independent and voluntary health organisations	85.1
Skills for Care and Development www.skillsforcareanddevelopment.org.uk	Social care including children, families and young children	85.3
Skillset www.skillset.org	Broadcast, film, video, interactive media and photo imaging	22.32, 24.64, 74.81, 92.1, 92.2
Photo-imaging is spread across a range of SIC codes: it is not possible to isolate the retail element. Interactive media, the largest sector in scope to Skillset, is not exclusively coded: since it is included within the core of e-skills UK, it is excluded from this analysis. Additionally, self-employed people without employees are not included in this survey but represent most of the sector in areas which *are* included, such as film production and independent production. For these reasons combined, the data presented for Skillset should be interpreted with extreme caution.		
Creative & Cultural Skills www.ccskills.org.uk	Arts, museums and galleries, heritage, crafts and design	22.14, 22.31, 36.22, 36.3, 74.4, 92.31, 92.32, 92.34, 92.4, 92.52
SkillsActive www.skillsactive.com	Sport and recreation, health and fitness, playwork, the outdoors and caravans.	55.22, 92.6, 93.04
SkillsActive covers sectors which form only a portion of other SIC codes and so do not make sense to include in analysis. Some sub-sectors, such as playwork, are excluded from the analysis.		
Non-SSC employers	All sectors not covered by an SSC at the time of the survey, spread across manufacturing and service sectors.	All other SICs

APPENDIX 3: Changes to SSC footprints since 2005 survey

SSC name	SIC codes removed	SIC codes added
Energy & Utility Skills	51.54, 51.55, 90.03	None
e-skills UK	74.86	None
Improve	15.92	None
Proskills	40.3	None
Semta	None	73.1
Skills for Logistics	None	51 (except 51.16, 51.24, 51.38, 51.41, 51.42, 51.52, 51.57, 51.88)
Skillsactive UK	None	92.72

APPENDIX 4: ConstructionSkills, Automotive Skills and Skills for Care & Development scenarios

Construction Scenario 1
If **ConstructionSkills** is *Own SSC* and mentioned at D1B, D1D or D2, then D2A will be set as "identified correct SSC", D3 and D3A will not be asked, D3C will be set as "aware of correct name", and D5 and the (first) Section E loop will ask about **ConstructionSkills**.

Construction Scenario 2
If **ConstructionSkills** is *Own SSC* and **CITB-ConstructionSkills** is mentioned at D1B, D1D or D2 (but not **ConstructionSkills** at any of these questions), then D2A will be set as "identified correct SSC", D3 and D3A will not be asked, D3C will be set as "aware of correct name", and D5 and the (first) Section E loop will ask about **CITB-ConstructionSkills**.

Construction Scenario 3
If **ConstructionSkills** is *Own SSC* and **CITB** is mentioned at D1B, D1D or D2 (but not **ConstructionSkills** or **CITB-ConstructionSkills** at any of these questions), then D2A will be set as "not identified (including naming legacy organisations)", and D3 will be asked about **ConstructionSkills**.

If the employer says they have heard of **ConstructionSkills** at D3, D3A will not be asked, D3C will be set as "aware of correct name", then the (first) Section E loop will ask about **ConstructionSkills**. If the employer says they have not heard of **ConstructionSkills** at D3, D3A will not be asked, D3C will be set as "aware of legacy name only", then D5 and the (first) Section E loop will ask about **CITB**.

Construction Scenario 4
If **ConstructionSkills** is *Own SSC* and none of **ConstructionSkills**, **CITB-ConstructionSkills** or **CITB** are mentioned at D1B, D1D or D2, then D2A will be set as "not identified (including naming legacy organisations)", and D3 will be asked about **ConstructionSkills**.

If the employer says they have heard of **ConstructionSkills** at D3, D3A will not be asked, D3C will be set as "aware of correct name", then the (first) Section E loop will ask about **ConstructionSkills**.

If the employer says they have not heard of **ConstructionSkills** at D3, D3A will be asked about **CITB or CITB-ConstructionSkills** and if they say "Yes" at this point D3C will be set as "aware of legacy name only", then D5 and the (first) Section E loop will ask about **CITB or CITB ConstructionSkills**.

Construction Scenario 5
If **ConstructionSkills** is not *Own SSC* and mentioned at D1B, D1D or D2, then D3E will be set as **ConstructionSkills**, and D5 and the (second) Section E loop will ask about **ConstructionSkills** (assuming an answer other than ConstructionSkills is not given at D4).

Construction Scenario 6
If **ConstructionSkills** is not *Own SSC* and **CITB-ConstructionSkills** is mentioned at D1B, D1D or D2 (but not **ConstructionSkills** at any of these questions), then D3E will be set as **CITB-ConstructionSkills**, and D5 and the (second) Section E loop will ask about **CITB-ConstructionSkills** (assuming an answer other than CITB-ConstructionSkills is not given at D4).

Construction Scenario 7
If **ConstructionSkills** is not *Own SSC* and **CITB** is mentioned at D1B, D1D or D2 (but not **ConstructionSkills** or **CITB-ConstructionSkills** at any of these questions), then D3E will be set as **CITB**, and D5 and the (second) Section E loop will ask about **CITB** (assuming an answer other than CITB is not given at D4).

Automotive Scenario 1
If **Automotive Skills** is *Own SSC* and mentioned at D1B, D1D or D2, then D2A will be set as "identified correct SSC", D3C will be set as "aware of correct name", and D4B will be asked. D5 will then be asked about **Automotive Skills** (irrespective of the D4B response), and the (first) Section E loop will also ask about **Automotive Skills**.

Automotive Scenario 2
If **Automotive Skills** is *Own SSC* and **IMI** is mentioned at D1B, D1D or D2 (but not Automotive Skills), then D2A will be set as "identified correct SSC", D3C will be set as "aware of correct name", and D4B will be asked.

If D4B is a "Yes", D5 will then be asked about **Automotive Skills**, and the (first) Section E loop will also ask about **Automotive Skills**.

If D4B is a "No" or "DK", D5 and Section E will not be asked.

Automotive Scenario 3
If **Automotive Skills** is *Own SSC* and neither IMI nor Automotive Skills are mentioned at D1B, D1D or D2. Then, D2A will be set as "not identified", and D3 asked of Automotive Skills.

If aware of **Automotive Skills** on a prompted basis at D3, D3C will be set as "aware of correct name", and D4B will be asked. If D4B is a "Yes" a "No" or "DK", D5 will then be asked about **Automotive Skills**, and the (first) Section E loop will also ask about **Automotive Skills**.

If still unaware of Automotive Skills at D3, D4b, D5 and Section E will not be asked.

Automotive Scenario 4
If **Automotive Skills** is not *Own SSC* and mentioned at D1B, D1D or D2, then D4B will be asked. The fourth/fifth iteration of D5 will then be asked about **Automotive Skills** (irrespective of the D4B response), and the (second) Section E loop will also ask about **Automotive Skills**.

Automotive Scenario 5
If **Automotive Skills** is not *Own SSC* and **IMI** is mentioned at D1B, D1D or D2 (but not Automotive Skills), then D4B will be asked.

If D4B is a "Yes", the fourth/fifth iteration of D5 will then be asked about **Automotive Skills**, and the (second) Section E loop will also ask about **Automotive Skills**.

If D4B is a "No" or "DK", D5 and Section E will not be asked.

Please note, the questions all relate to the provision of advice on skills or training and relate to the mention of a 'sector skills council.' We are not specifically seeking to measure if they are aware of IMI more generally than in its role as the SSC, although there is some difficulty in splitting these functions.

Skills for Care & Development Scenario 1
If **Skills for Care & Development** is *Own SSC* and **"**Topss England", "Care Council for Wales", "Scottish Social Services Council" or "Northern Ireland Social Care Council" is mentioned at D1B, D1D or D2, then D2A will be set as "not identified (including naming legacy organisation)", and D3 will be asked about awareness of "Skills for Care & Development".
If employer not aware of "Skills for Care & Development" at D3, D3C will be set as "aware of legacy name only", and D5 and the (first) Section E loop will ask about either Topss England, Care Council for Wales, Scottish Social Services Council or Northern Ireland Social Care Council (as appropriate).

Skills for Care & Development Scenario 2
If **Skills for Care & Development** is not *Own SSC* and **"**Topss England", "Care Council for Wales", "Scottish Social Services Council" or "Northern Ireland Social Care Council" is mentioned at D1B, D1D or D2, but correct SSC is not identified, then D2A will be set as "not identified (including naming legacy organisation)".
D5 and the (second) Section E loop will ask about either Topss England, Care Council for Wales, Scottish Social Services Council or Northern Ireland Social Care Council (as appropriate).

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