

# **Business in Further Education**

**NATIONAL REPORT FROM  
THE INSPECTORATE  
1999-2000**

THE  
FURTHER  
EDUCATION  
FUNDING  
COUNCIL

***THE FURTHER EDUCATION  
FUNDING COUNCIL***

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# Business in Further Education

## Main Findings

### *Trends in enrolments*

Business is the second-largest programme area funded by the Further Education Funding Council (FEFC):

- in 1998-99, business students accounted for 13% of all full-time students and 26% of all part-time students funded by the FEFC
- over the four years since 1995-96, the overall number of business students has risen by only 1%.  
The number of full-time business students has fallen by 13%.  
Part-time enrolments have risen by 4%.  
Since 1996-97 there has been a significant decline in the number of students on franchised provision.

Of the FEFC-funded qualifications in business in 1998-99:

- 31% were pursued on a full-time basis and 69% through part-time study, including 9% through franchised provision
- 50% were in secretarial, administrative and information technology (IT) areas
- 18% were management and professional qualifications
- 10% were the core general business studies qualifications, largely represented by general national vocational qualifications (GNVQs), general certificate of education advanced/advanced supplementary level (GCE A/AS level), and general certificate of secondary education (GCSE)
- 4% were for retailing and distribution, and the public services
- 25% were national vocational qualifications (NVQs).

### *Colleges provide a wide range of courses and modes of study which meet students' needs*

Since the last survey, colleges have shown themselves to be more responsive to the needs of employers. Colleges and other FEFC-funded institutions offer an increasingly comprehensive range of business programmes, for individuals, companies and other organisations. The move towards more flexible methods of study, noted in the previous survey report, has continued. The financial and business services sector is forecast to show the fastest proportionate growth in employment over the next seven years. Changes to employment in business which will affect colleges' provision are characterised by:

- a continuing demand for appropriately trained business people at all levels
- growth in the demand for more highly qualified business employees
- a need for training in new job roles and skills, related particularly to communication, customer skills and IT skills
- growth in the demand for business employees at the intermediate and lower levels
- a particular need to replace sales staff over the next 10 years
- a need for specific training for the growing number of self-employed
- a need to include aspects of e-commerce in business education and training.

However, although colleges respond to identified training needs well, many do not have enough market research information on which to base their planning. Colleges rarely successfully bring together the outcomes of analysis of local and national training needs.

### ***There has been little rationalisation of business qualifications***

The number of business qualifications and levels of study presents an even more complex, and sometimes confusing, picture than at the time of the last business survey. Over 100 awarding bodies offer 950 separate qualifications and levels.

### ***Business departments make significant contributions to widening participation***

Business departments make a positive contribution to initiatives to encourage participation by students who do not normally benefit from further education. Many courses that are designed to attract new learners to further education frequently have business IT as an important element of provision, or use IT to deliver a significant part of a programme. Some colleges make imaginative use of new learning technologies to draw adults into education and training.

### ***Business provision actively contributes to strategies for local economic regeneration***

Many colleges work in partnership with other agencies to address training needs and to enhance individuals' skills and employability. Business provision is often central to this activity. Colleges often operate their own specialist units to promote and deliver education and training for business.

### ***There are some unrealistic assessments of business provision in colleges' self-assessment reports***

The proportion of business provision graded good or outstanding has fallen. In 1998-99, inspectors considered 63% of curriculum provision to be good or outstanding. For 1996-97 and 1997-98, the percentages of good or outstanding provision were 74% and 75% respectively. In 1997-98 and 1998-99, colleges judged 86% and 81% of their provision,

respectively, to be good or outstanding. Although colleges are now more rigorous in their assessment, the gap between inspectors' judgements and colleges' judgements is widening in relation to the proportion of grades 1 and 2 awarded to business provision. Colleges need to make a more realistic assessment of provision in the light of identified weaknesses in teaching and learning, students' achievements and levels of retention.

### ***The quality of teaching has improved***

The quality of teaching and learning has improved since the last survey. The percentage of good or outstanding lessons observed by inspectors rose from 61% in 1995-96 to 64% in 1998-99. Inspectors have awarded an increasing percentage of grades 1 and 2 to the GNVQ lessons observed. In particular, the proportion of GNVQ advanced lessons judged good or outstanding has increased from 55% in 1996-97 to 59% in 1998-99, and is now at a similar level to the proportion awarded to GCE A level lessons in the business area. The main weaknesses in business teaching, identified by inspectors, are: the failure to engage students' interest, the lack of opportunity for students to think for themselves and teachers' failure to take account of the needs of students of different learning abilities.

### ***Business education often takes account of real industrial and commercial circumstances***

Teachers of business appreciate the need to support teaching and learning by reference to real industrial and commercial experiences. There is better use of locally devised case studies, relevant to the geographical and social context of students. Students often benefit from well-organised opportunities to engage in relevant work experience. Colleges have developed some imaginative ways of bringing students and employers together.

### ***There are overall improvements in the development of students' key skills***

The teaching of key skills, particularly on vocational business courses, has improved. On the GNVQ courses, key skills are usually an integral part of assignments and they are assessed rigorously. Some colleges are developing new and interesting approaches to the teaching of key skills. The introduction of curriculum 2000 is providing a useful focus for some business departments seeking to improve the teaching of key skills.

### ***Teachers use information technology more effectively***

The previous survey report noted that computer provision for students was generally good but that few teachers used computers for teaching and learning. Teachers now make increasing use of IT in lessons, and IT is often an integral part of the scheme of work. There were some examples of excellent use of the Internet and of college intranet resources.

### ***There is slow progress in updating the industrial and commercial experience of teachers***

This major weakness, identified in the previous business survey report, has not been substantially addressed by business departments or senior managers in colleges. Some colleges have sought to provide more formal or informal opportunities for teachers to update their experience. Most are still considering their strategy for addressing the issue.

### ***Part-time teachers are inadequately managed***

Colleges should continue their efforts to make part-time teachers effective members of teaching teams. In particular, teachers on contracts paid by the hour rarely play a full part in course teams. This presents a growing challenge for managers.

### ***Pass rates are improving on many courses***

There are good pass rates on NVQ level 2 administration, higher level secretarial awards, the certificate in personnel practice and Trades Union Congress and introductory management courses. A number of others have improved over the last three years.

There are poor pass rates on GCE A level accounts, GCSE business studies, NVQ accounting and some higher level management and marketing courses. Some pass rates on business IT courses are also unsatisfactory.

### ***Progression rates to higher education for GNVQ advanced students are improving***

Figures published by Universities and Colleges Admissions Service (UCAS) and inspection evidence indicate that an increasing percentage of successful GNVQ advanced students are accepted for business degree courses. In 1998, 62% were accepted for business degrees, compared with 48% in 1995.

### ***There are considerable differences in retention rates***

Whilst retention rates are high on business IT, secretarial awards, and most professional and management courses, they are often poor and declining in general business courses.

### ***Facilities to develop students' practical skills are inadequate***

There has been a reduction in the number of college-based activities to provide students with experience of a realistic work environment. In particular, secretarial and administration students have fewer opportunities to engage in simulated or real office training. In some colleges, where secretarial diploma courses have replaced NVQ courses, students have little contact with employers and have no practical base within the college.

## ***Colleges do not make enough use of value-added measures***

Insufficient use is made of value-added measures to judge students' progress. The practice is much more common in sixth form colleges than in general further education colleges. Too few colleges use value-added measures as part of their quality review arrangements or as part of individual students' reviews.

## ***Improved quality assurance arrangements are needed for much franchised provision***

Colleges have found it difficult to assure the quality of franchised provision and to monitor the progress of students. This is particularly so with franchising with partners at a distance from the college. A significant number of such students complete their course without the college knowing the outcomes.

## **Introduction**

1 This is a report on the second survey of the quality of business provision funded by the Further Education Funding Council (FEFC). Business falls within the FEFC's programme area 5. The survey took place between April 1999 and March 2000 and drew on inspection evidence for the three years, 1996-97 to 1998-99 and in part, for 1999-2000. In addition, 41 colleges were specifically visited during the survey, to provide examples of good or developing practice. Twenty-four general further education colleges, 10 sixth form colleges and seven tertiary colleges were visited. These are listed in annex B to the report. Some of the resulting case studies are included in the text of the report. All case studies are published on the FEFC website: <http://www.fefc.ac.uk>.

2 The focus of the survey was to determine the progress that has been made in the sector in relation to the key issues identified in the inspectorate's last business survey, published in 1997, and those in the chief inspector's annual

reports. Key generic issues and themes were identified in planning for the survey and these were used to guide visits to colleges. A list of the 13 themes appears as annex A to the report.

3 Business provision has been inspected in all types of further education institutions in each of the nine regions of the FEFC. Inspectors observed lessons, examined students' written work and held meetings with managers, teachers and students. For the three inspection years, since September 1996, 4,442 lessons in business have been inspected and 267 specialist grades have been given. Summaries of the inspection grades awarded to lessons and programme areas appear in the body of the report.

## **Business in the United Kingdom**

4 The wide range of business courses on offer reflects the diverse needs of industry and commerce. The study of business is relevant to employees and prospective employees in all industries, not just to those in business and financial occupations serving the economy. The core market for business training has grown significantly in recent years. Employment in the financial and business services in the United Kingdom grew four times as fast as employment in all other sectors, from 4.1 million in 1993 to 5.1 million in 1999; an increase in workforce jobs of 23%. *Labour Market and Skill Trends 1998/99*, published by the Department for Education and Employment (DfEE), indicates that business services, which include advertising, consultancy, accountancy and law, saw particularly strong employment growth over the period 1981 to 1997. Financial services also saw fast growth in the 1980s. Recession and deregulation contributed to a later fall in employment as mergers led many companies to reduce their operations. Distribution services also saw a significant growth in employment that reflected rises in personal disposable income.

5 Studies by Business Strategies Ltd, contained within *Labour Market and Skill Trends 1998/99*, forecast that the financial and business services sector is likely to show the fastest proportionate growth in employment over the period 1997 to 2007. Overall, employment is expected to grow by 2.5% each year, while a fall in employment is forecast in financial services. Women account for over half of the workforce in financial and business services and are expected to continue to do so in the forecast period. In the same period, the self-employed share of total employment in financial and business services is expected to increase from 12.4% to 16.3%.

6 Occupational areas within business indicate varying trends. The proportion of managers and administrators increased from 13% in 1981 to 17% in 1997. The share of employees in clerical and secretarial occupations dropped, although absolute numbers have remained stable. Business Strategies Ltd forecast that this trend towards higher-level occupations is likely to continue over the next 10 years. Over one million extra jobs will be created in the managerial and administrative, professional and technical, and associate professional and technical occupations, through increases in employment in financial and business services. Employment in sales is expected to grow with almost all of the extra jobs expected to be taken by women.

7 Estimates of the annual need for trained workers between 1997 and 2007 indicate a higher projected average annual change in employment for managerial, administrative and sales occupations, than for all occupations. There is likely to be less change in clerical and secretarial occupations. The number of employees expected to move into sales was a greater proportion of the current workforce than for any other occupation, with possibly 420,000 people, 20% of employees, needing to be replaced annually. Irrespective of the trend towards employment in higher-level managerial

and administrative jobs, there is a need over the next 10 years for a new supply of trained workers at the intermediate and lower levels.

8 There are changing skills requirements within business occupations, particularly with the movement towards a more service-oriented economy. *Labour Market and Skill Trends 1998/99* identifies the globalisation of trade, the rise in customer expectations with greater competition, and advances in technology, as major influences. When surveyed, employers felt that the demand for higher level and new skills was rising more rapidly in financial and business services than in other industries.

9 Sales and marketing employees are increasingly required to complement their specific marketing skills with a broader appreciation of business. The Chartered Institute of Marketing has identified that business management skills and the ability to think strategically are increasingly important. Additionally, marketing personnel increasingly customise products and services to individuals and this requires greater creativity.

10 Heightened competitive pressures have emphasised the need for greater skills in oral and written communication and information technology (IT). For example, in the distributive trades, particularly in supermarkets, the need for employees to develop customer retention skills is increasingly important and, more broadly, service industry employees must improve their skills in handling people. In secretarial occupations, where employees have always required good communication skills, these abilities need to be extended as secretaries service extended teams and take on some management tasks.

11 A range of recent government initiatives, including the work of the National Skills Task Force, have emphasised the importance of learning in the workplace and of addressing the skills needs of adults already in employment. In the *Third Report of the National Skills Task*

*Force*, published in early 2000, employers are cited as identifying 'a significant gap between the types of skills that (their) employees have ... and those that they need to meet (their) current business objectives'. These skills gaps included computing and IT skills, communication skills and customer handling skills.

12 A number of present and future education and training needs can be determined from these trends and forecasts:

- a continuing demand for appropriately trained business people at all levels
- growth in the demand for more highly qualified business employees
- the need for training in new job roles and skills, related particularly to communication, customer skills and IT skills
- growth in the demand for business employees at the intermediate and lower levels
- a particular need to replace sales staff over the next 10 years
- specific training for the growing number of self-employed
- the need to include aspects of e-commerce in business education and training.

## The Business Curriculum

13 Diversity of curriculum continues to be a defining feature of the business programme area. Further education colleges and other FEFC-funded providers serve a wide community of students, embracing school-leavers, work-based trainees, adults continuing their studies and adults returning to study. Students pursue qualifications for:

- general business studies
- business administration, secretarial skills and IT
- general certificate of education advanced/advanced supplementary level

(GCE A/AS level) and general certificate of secondary education (GCSE) business-related subjects

- public services employment, including employment for the civil and military uniformed services
- retailing and distribution
- management
- a wide range of professional body memberships.

14 The number of qualifications has grown since the previous survey was published. Nine-hundred and fifty separate qualifications and levels are offered by just over 100 awarding bodies, though many of them attract few students.

15 Students enrolled on business courses constitute the largest FEFC programme area after humanities. In 1998-99, 709,613 students were funded by the FEFC and sources other than the FEFC, compared with 701,400 at the time of the last business survey, in 1995-96. In 1998-99, 669,974 students were funded by the FEFC, through colleges, higher education institutions and external institutions and 82% of them studied in a further education college. In 1998-99, business students accounted for 13% of all full-time students and 26% of all part-time students funded by the FEFC.

16 Whilst the overall number of business students has risen by 1% since 1995-96, there has been a fall of 3% against the peak year of 1996-97. The number of full-time business students has fallen by 13% over the four years since 1995-96. However, there was some recovery in 1998-99 and college plans for projected student numbers in 1999-2000 indicate that this recovery will continue. Part-time enrolments have risen by 4% over the four-year period, although they have also fallen back from the high of 1996-97. There has been a significant decline in the number of students on franchised provision. Many colleges have concentrated their franchised provision with

local partners and have given priority to courses serving their local market. The most marked change in student numbers has been in sixth form colleges, where there has been a 24% drop in part-time business enrolments between 1996-97 and 1998-99.

**Table 1. Business enrolment data, 1995-96 to 1998-99**

	<i>Enrolments</i>				<i>Increase/decrease</i>
	<i>1995-96</i>	<i>1996-97</i>	<i>1997-98</i>	<i>1998-99</i>	<i>1995-96 to 1998-99 (%)</i>
All business students	701,400	729,977	716,688	709,613	+1
Full-time students	118,300	109,628	101,361	103,092	-13
Part-time students	583,100	620,349	615,327	606,521	+4

*Source: FEFC strategic planning data for FEFC-funded provision in further education colleges, external institutions and higher education institutions, and for non-FEFC funded provision in further education colleges*

17 Some students study for more than one qualification and the data which the FEFC requires colleges to return through the individualised student record (ISR) includes a count of students on each year of their course. It is not appropriate, therefore, to compare data in this section of the report with subsequent data on students' achievements. Since the last survey, the average number of qualifications taken by each business student has fallen.

**Table 2. Number of qualification aims for FEFC-funded qualifications in business, 1996-97 to 1998-99**

<b>Full-time, full-year</b>	<b>1996-97</b>	<b>1997-98</b>	<b>1998-99</b>
Direct provision	267,265	288,368	267,033
Franchised provision	5,781	5,398	3,795
<b>Total full time</b>	<b>273,046</b>	<b>293,766</b>	<b>270,828</b>
<b>Part-time</b>			
Direct provision	501,802	541,608	534,563
Franchised provision	136,286	108,531	78,659
<b>Total part time</b>	<b>638,088</b>	<b>650,139</b>	<b>613,222</b>
<b>All provision</b>	<b>911,134</b>	<b>943,905</b>	<b>884,050</b>

Source: ISR data

18 In 1998-99, students were studying for 884,050 FEFC-funded qualifications in business. Of these:

- 31% were pursued on a full-time basis and 69% through part-time study, including 9% through franchised provision
- secretarial, administrative and IT qualifications accounted for just over 50% of all qualification aims
- management and professional qualifications contributed 18% of the total
- the core general business studies qualifications, largely general national vocational qualifications (GNVQs), GCE A/AS levels, and GCSEs, represented around 10%
- retailing and distribution qualifications and those for the public services, accounted for 3% and 0.8%, respectively
- 25% of the qualifications studied were national vocational qualifications (NVQs)
- 4% were higher national certificates and higher national diplomas in business and IT
- 67% of students were female, as for the two previous years, with similar percentages studying full time and part time.

19 Within the grouping of general business courses:

- GNVQ business, and retail and distribution services, GCE A/AS levels in business and accounting and GCSE subjects constituted 25% of all full-time qualification aims in 1998-99; little different to the two previous years
- the number of students taking GCE A level business is much the same as for all levels of GNVQ business, around 31,000 in 1998-99
- GNVQ business qualification aims have fallen by 10% since 1996-97, largely at advanced level, whilst for retailing and distribution they increased by 47%
- some 17% of GCE A level students study part time
- GCE A level business numbers have increased marginally over the last three years, whilst those for accounting have fallen by 20%
- GCSE business-related subjects, particularly accounting, have attracted greater numbers over the last three years.

20 For full-time study towards qualifications in secretarial, administration and IT subjects:

- study towards these qualifications accounts for some 50% of all full-time study
- enrolments for qualifications in IT, wordprocessing and text processing have grown by 16% over the last three years, and account for 27% of all enrolments
- study of the NVQ administration has fallen by 12% since 1996-97, to approximately 15,000 entries in 1998-99
- entries for single-subject secretarial qualifications have fallen in each of the last three years, to around 26,000 in 1998-99
- grouped secretarial qualifications had around 6,000 entries in 1998-99.

21 For part-time study towards qualifications in secretarial, administration and IT subjects:

- study towards these qualifications constitutes 50% of all entries for part-time study
- most entries are for the wide range of general IT, text and wordprocessing qualifications
- entries for general IT and text and wordprocessing have grown by 13% over the last three years
- only 15,000 entries in 1998-99 were for NVQ administration, some 5% of total entries.

22 Management and professional studies embraces a wide variety of qualification aimed at all levels of provision, including NVQs in management and accounting. Most study is part-time. In 1998-99, there were approximately 125,000 part-time qualification entries, representing about 20% of all part-time provision, including NVQs in management and accounting. Whilst entries for accounting qualifications have remained relatively stable since 1996-97, those for management fell by 20% over the three-year period to 1998-99. The data held by the FEFC records that many professional qualifications have no or few registrations at certain levels.

23 Compared with many parts of the business programme area, qualifications leading to awards in the public services are relatively new. Entries for qualifications, which are largely full time, grew by 25% in 1998-99, to 6,773.

## Inspection Findings

24 Seventy-three curriculum area inspections were carried out in 1998-99, 112 in 1996-97 and 82 in 1997-98. Inspection grades for the curriculum are awarded primarily on the basis of inspectors' judgements about the quality of teaching and learning and students' achievements, but they also take into account the organisation and management of curriculum and specialist resources.

25 The proportion of good or outstanding grades awarded by inspectors to the curriculum areas has fallen. In 1998-99, inspectors considered 63% of curriculum provision to be good or outstanding. In 1996-97 and 1997-98, the figures were 74% and 75%, respectively.

26 In their self-assessment reports for 1997-98 and 1998-99, colleges judged 86% and 81% of their provision, respectively, to be good or outstanding. On this measure, colleges overgraded by 11% and 18% in these two years.

27 The chief inspector's annual reports for 1997-98 and 1998-99, whilst indicating that inspectors broadly agreed with the strengths and weaknesses identified by colleges, highlighted the need for a more realistic assessment of weaknesses in students' achievements, retention, and teaching and learning.

**Table 3. Grades 1 and 2 awarded for business provision by inspectors and by colleges in their self-assessment reports**

	<i>Grades 1 and 2 awarded by inspectors (%)</i>	<i>Grades 1 and 2 awarded by colleges (%)</i>
1996-97	74	not available
1997-98	75	86
1998-99	63	81

*Source: FEFC inspectorate database*

28 The previous survey report of March 1997, indicated that the proportion of inspection grades 1 and 2, awarded to business provision, 1993 to 1996, was the same as the average for all curriculum provision. In 1996-97 and 1997-98, the proportion of good or outstanding grades for business exceeded the average for all curriculum inspections and in 1998-99 they again matched the average.

**Table 4. Comparison of grades 1 and 2 awarded to business provision with the average for all provision**

	<i>Grades 1 and 2 business (%)</i>	<i>Grades 1 and 2 all provision (%)</i>
1996-97	74	68
1997-98	75	69
1998-99	63	63

*Source: FEFC inspectorate database*

## Teaching and Learning

29 There has been an improvement in the quality of teaching and learning in business since the last survey. Of the lessons observed in 1998-99, 64% were judged by inspectors to be good or outstanding. This compares with 61% in 1995-96. In particular, the quality of teaching and learning in GNVQ lessons has improved. The overall quality of teaching and learning in GCE A level lessons has remained constant.

**Table 5. Annual profile of lesson observation grades for business and for all programme areas**

	<i>Grade 1 or 2</i>		<i>Grade 3</i>		<i>Grade 4 or 5</i>	
	<i>Business (%)</i>	<i>All programme areas (%)</i>	<i>Business (%)</i>	<i>All programme areas (%)</i>	<i>Business (%)</i>	<i>All programme areas (%)</i>
1995-96	61	63	31	29	8	8
1996-97	60	61	30	31	10	8
1997-98	65	65	28	29	7	6
1998-99	64	65	30	29	7	6

*Source: FEFC inspectorate database*

30 Inspectors awarded fewer grades 1 and 2 for classes taught by part-time teachers. The gap has widened, from three percentage points in 1997-98 to nine in 1998-99. In those lessons graded good or outstanding, teachers used a range of teaching and learning techniques to stimulate students and met their learning needs. Effective use was made of recent case study material. Lessons are well planned and teachers make students aware of aims and objectives. One college uses the 'Business Review' GCE A level resource packs. These recently produced resources contain model lesson plans and learning materials that provide a useful aid to teaching. In the better lessons, learning is linked with that from previous lessons and related topics, and teachers

regularly check students' understanding. Teachers ensure that students relate theory to practice and draw upon their work experience and case studies to reinforce this.

In one college visited by inspectors, good use was made of detailed, appropriately demanding case studies on topical issues, researched and devised by all business teachers, for GCE A level and GNVQ advanced work. Teachers also created multi-purpose work cards to help students work on their own or to catch up on aspects of work that they had missed.

In another general further education college, there is a considerable amount of joint planning of lessons, across GNVQ advanced and GCE A level courses. During team meetings, teachers regularly discuss teaching methods, evaluate

which are most effective and agree changes. They conduct rigorous and regular reviews of students' progress and all students are given details of the criteria used in marking their work. GCE A level business students have a planning sheet to help them organise and research their coursework and they are given clear criteria of what constitutes each grade. At this college, teachers fully share their expertise and ideas, and the learning resources they have developed.

31 Teachers make increasing use of new computerised technologies in lessons and this often forms an integral part of schemes of work. However, more imaginative uses of IT by teachers, such as those given in the following exemplars, are not common.

Excellent use is made of Internet and college intranet facilities in one small general further education college in a rural area of the Yorkshire and Humberside region. Full-time GCE A level and GNVQ advanced business students have assignments, case studies and course notes issued through the college intranet and are directed to a series of Internet business sites to research their assignments. These include: *www.bized.ac.uk*; *www.beeb.com*; *www.businessbureau-uk.co.uk*; *www.studyweb.com*; and *www.encarta.com*. The college makes its intranet resources accessible to students from home via an Internet page. Students also use electronic mail to contact each other and teachers. In their lessons, teachers lead lively discussions that draw on students' Internet work.

In one sixth form college in the Greater London region, inspectors found that most students use the Internet to access the Bized website for research. Teachers plan assignments which require students to use the site. Accounting and IT computer software packages are also used. NVQ level 2 administration students have electronic mail addresses, which they use to submit assignments. Legal secretarial students use Microsoft PowerPoint to make presentations.

At one sixth form college in the South East region, the business studies area has its own suite of networked computers, linked to the Internet. All courses have at least one hour a week in this area and students have access at other times to do their own research work. Inspectors found that students frequently used computers in lessons for downloading and analysing data for class exercises or for speedy retrieval of topical newspaper articles to support group activities. Teachers make effective use of a large computer display screen for computer-based demonstrations and presentations.

32 In most colleges, the quality of learning materials used on business courses has improved since the last survey. Handouts and overhead projector slides used in lessons are usually produced to a good professional standard. Inspectors have observed some imaginative teaching using PowerPoint presentations. Most business departments now expect a businesslike attitude from students and the more able teachers reflect good business practice in lessons. An increasing amount of valuable support is available to teachers of business, from the validating and awarding bodies and from organisations such as the Economics and Business Education Association and the National Association of Business Studies Education.

33 In a minority of lessons observed, equal opportunities issues are reflected in learning materials, particularly in the selection of case studies. In one general further education college, which attracts 70% of its students from a variety of minority ethnic groups, teachers make particular effort to ensure that all students participate fully in classroom activities. They have also assembled a range of learning materials which takes full account of the needs and backgrounds of students. One college raises awareness of equal opportunities in business through the use of large poster displays in all classrooms and wall displays of students' work which emphasise equal opportunities issues.

At one college in the Greater London region, with a high proportion of Bangladeshi students, teachers have established a student exchange link with a large fast-food company operated by Black Americans. This link provides students with good, relevant role models.

34 In some colleges, students are successfully placed on work experience with local Indian and Bangladeshi businesses. In general, however, teachers do not make enough use of appropriate role models in lessons.

35 The quality of teaching and learning on management and professional courses is usually good. Effective use is made of students' work experience and part-time teachers bring good up-to-date specialist knowledge of business practice to their lessons and to the planning of business courses.

At another college in the Greater London region, teachers make good use of students' own experience and knowledge. For example, in a lesson for the National Examining Board for Supervisory Management introductory award, the teacher drew upon students' own ideas and experiences about what motivated them and their colleagues, as a way of introducing them to Herzberg's theory of motivation. The activity stimulated considerable interest and debate and was highly productive.

36 Teachers frequently ask searching questions, and occasionally role-play, to consolidate students' learning. In a computerised accounts lesson, the teacher kept checking that students understood the concepts and the terminology. During the short demonstrations and while they were completing tasks from a proprietary computerised accounting package the teacher constantly questioned the students. In one lesson on an access to business course, the students first viewed a film clip on the main principles of effective teamwork, then took part in a role-play to put these principles into practice. They thoroughly enjoyed the activity and were clearly gaining confidence in expressing their ideas.

37 In many colleges, business teachers make effective use of visiting speakers from business. Students also undertake organised visits to employers in order to extend their understanding of the application of business concepts. In some colleges, particularly sixth form colleges, the Young Enterprise scheme contributes significantly to the range and quality of students' experiences. The scheme provides a valuable focus for enlisting the interest of local business persons and persuading them to offer their services.

In one sixth form college in the South East region, a local banker visits classes to advise GNVQ advanced business students on business planning. GNVQ advanced and GCE A level students give presentations as part of their assignments and business people come to the college to judge them. The college also organises visits to local companies, and assignments and projects are often built around these visits. Many of the companies provide learning materials, including reports, which teachers have developed into useful learning resources for a wide range of business students.

38 Colleges offering public services courses usually have excellent links with employers. One large general further education college in the Greater London region, with a reputation for the high quality of its public services courses, has substantially built these around the links it has established with the uniformed services; the police, fire service and the army. Activities organised by these employers are an integral part of students' programmes.

39 In some of the less successful lessons, lesson plans lack imagination, the work is dull, teachers make poor use of resources, there is no differentiation of tasks for students of varying ability and students are poorly motivated or show little interest in their work. Often, students have no opportunity to think for themselves or to raise issues of interest or concern. On some occasions, they spend long periods of time taking dictation or copying from

the board. In some lessons, teachers fail to make sufficient use of case study material to illustrate concepts and make little effort to find out whether students understand what is being taught.

40 Many full-time teachers of business have no recent commercial experience, a weakness identified in the last business survey.

In one college in the Eastern Region, teachers are predominantly full time and most of them have been out of industry for a long time. One part-time teacher has the task of organising schools liaison and working with employers in the assessment of trainees in the workplace. There has been little commercial updating within the teaching team and this is reflected in the teaching. Teachers make little use of examples drawn from modern business practice. The lack of staff development is impoverishing students' work.

41 Many colleges have plans to update teachers' experience, but few of these have come to fruition. Some colleges organise short secondments to local companies, but, in many cases, it has proved difficult to arrange secondments for periods of more than one or two weeks. In some cases, colleges have exhaustively canvassed local employers in search of opportunities for work experience or secondment, but to little effect.

In response to an inspection report, identifying the lack of recent commercial experience of business teachers, one college in the Northern Region undertook a comprehensive audit of skills, experience and professional interests of its teachers. The audit confirmed the need for commercial updating. External verifiers' reports and the outcomes of appraisal were used to decide which teachers would benefit most from a placement in industry. A programme of short secondments has been developed, with the teachers concerned identifying appropriate employers. The departmental learning resources co-ordinator

also plays a role in brokering suitable placements. The department plans to provide all vocational teachers with recent and relevant commercial experience within a four-year timescale.

42 Since the last survey, many colleges have introduced lesson observation as part of their self-assessment process. This has helped to disseminate good practice in teaching and learning. However, improvements in teaching are not yet discernible across all business provision.

One sixth form college in the South East region undertakes lesson observations, the findings from which are linked to teachers' appraisal and the self-assessment of the business curriculum. Questionnaires are used to obtain students' views on the quality of teaching and students are encouraged, in regular teacher and student meetings, to say openly what they consider to be the strengths and weaknesses of the teaching. Close teamwork enables teachers to be aware of each others' teaching methods and to share good practice. Resources are developed by teachers and fully shared.

At another college, the findings from lesson observations are openly discussed by business teachers and the good practice identified is shared at the earliest opportunity. The college also makes rigorous use of student surveys. There are surveys of students' opinions in the middle of the first term and then again later in the course, using exactly the same questions, to see how much has improved as a result of actions arising from comments made in the first survey. Teachers are quick to make changes to improve both teaching and learning.

43 Work experience is not a mandatory requirement on most business courses. Nevertheless, many colleges recognise the value of work experience for business students and provide appropriate work placements.

Many arrange placements for their GNVQ students, although not necessarily at all three levels, and some assignment work is usually based on work experience. The same opportunities are rarely offered to GCE A level students, despite the increased use of assignment and project work. In a minority of colleges, insufficient use is made of work experience in GNVQ courses.

In one small sixth form college in the Greater London region, teachers have developed an innovative approach to work experience placements for students on the foundation GNVQ course. In collaboration with local employers, there are arrangements for students to attend some of their lessons on the employers' premises and some at the college. Staff at the companies also act as mentors to the students. Students value the time they spend in a realistic working environment and find the experience stimulating.

44 Students on secretarial and administration courses usually undertake related work experience and in many colleges this is supplemented by work in the college's own office training centre. Inspectors identified a reduction in the use of such practical training centres since the last survey. In some colleges, their use was discontinued when NVQ courses were introduced and much of the practical training and assessment moved to the workplace. However, where NVQ courses have subsequently been replaced by secretarial diploma courses, studies have become less practical in approach. Some colleges have found imaginative ways of providing practical assignments for students.

For example, at one general further education college in the South West region, students taking a higher diploma course in administrative procedures undertook a major year-long assignment to organise and run a national education conference for administration and secretarial teachers. This activity embraced eight units of the course and provided a strong realistic practical element. The conference

assignment has been run successfully for several years. It develops a wide range of practical and personal skills and most students who complete the course successfully progress to related jobs.

45 Some colleges have found imaginative ways of involving employers in the curriculum.

Another college in the South West region has established a thriving business advisory board, comprising representatives from local leading businesses, chaired by a business governor. Students visit employers' premises and employers came to the college to give talks to the students. Employers also help in the preparation of assignments and participate in award evenings. Teachers have worked hard to ensure that the employers who sit on the advisory board are enthusiastic and have a meaningful role to play in the business section of the college.

46 The teaching of key skills has improved, particularly on GNVQ courses. Key skills are usually made an integral part of assignments and they are rigorously assessed by specialist key skills teachers. Key skills are rarely included in programmes for which they are not a mandatory requirement, such as GCE A level programmes. Nevertheless, inspectors found some encouraging exceptions to this.

In one sixth form college, full-time students on a legal executives course were developing the three key skills of communication, application of number and IT.

At one small general further education college, teachers have produced detailed schemes of work for the GCE A level business studies course. Key skills are mapped against individual lessons and assignments to ensure that students cover the three major key skills during their course.

At another college, GCE A level students developed their communication skills through presentations and their IT skills through the use of computers, particularly the use of the Internet.

## Students' Achievements

### *Students' understanding and written work*

47 GCE A level business students have a good understanding of business concepts and theories and how to apply them in different business contexts. GNVQ students are confident when discussing business strategies, using specific case studies. They are sometimes less certain about links between the actions of individual businesses and government policies, such as changing interest rates on corporate taxation, which impact upon them. On business IT courses, students are often competent in their understanding of the mechanics of different software packages but spend less time considering the broader applications of these packages in addressing different business problems. For example, students are knowledgeable about the use of formulae in spreadsheets but less clear about the different contexts for using spreadsheets to tackle a range of business issues. In the best management and professional lessons, students are encouraged to apply theories and concepts to their own work situations. At one college, the teacher effectively linked the principles of corporate planning to students' own businesses. Students were able to share and understand the importance of mission statements and the setting of business objectives by discussing and comparing the mission statements and strategic plans of their own companies.

48 Students' work on NVQ administration programmes is of a good standard. Portfolios increasingly contain substantial evidence from work experience activities and there is less reliance on evidence derived from simulated work. On single-subject secretarial and IT awards, the work completed is usually accurate and well presented, especially on assignments requiring a graphical analysis of data. Students on GNVQ programmes successfully demonstrate broad ranging IT skills. Many sixth form

colleges offer modular GCE A level business studies courses with a coursework component. Some project work is outstanding; empirical research into local businesses leads to properly evidenced conclusions. Projects are wordprocessed and often make use of spreadsheets and charts to support the analysis of primary data. By contrast, the standard of GCSE business students' work shows little evidence of analysis and evaluation. The best work on management and professional programmes arises from assignments linked to real business problems identified at the student's place of work, or by employers with whom the college has contact. On NVQ accounting programmes, work-based exercises are not always well integrated with assignments and there is over reliance on simulated activities.

On one National Examining Board for Supervisory Management diploma course, part-time students, who are themselves employees, act as consultants to a different company for one day each week for a period of eight to 10 weeks. They address real business problems, and present their final report to a panel comprising the company's managers, the external verifier, students, managers from their own place of employment and the course tutor. The participating companies make a financial contribution for the consultancy. Last year the proceeds were sufficient to enable the students to visit Toronto to study the management of change in Canadian companies.

### *Recording achievement*

49 Since the last survey, all colleges have access to comprehensive national benchmarking data derived from the ISR. Trends in enrolments, pass rates and retention can now be measured for the full range of courses delivered in the business programme area. The form of some of this data differs from that published by awarding bodies since pass rates are calculated as a percentage of those students who complete

a course rather than those who enter an examination or externally assessed component. Differences are more significant for part-time students on entry level IT courses, where a high proportion of those who enrol on, and complete, a programme of study do not choose to enter for an examination. Colleges are starting to use national benchmarking data when evaluating their own achievements. However, the process does not operate effectively on many business administration, management and professional courses.

50 The information on students' achievements shown in tables 6 to 9 are illustrative. The tables record achievements for the most popular modes and lengths of study; for example, two years for a full-time GNVQ advanced programme.

### ***Pass rates in business studies***

51 The majority of general business students attend full-time courses leading to GCE A level and GCSE business studies, GNVQ business, and the national diploma. The major part-time programme, although with rapidly falling numbers, is the national certificate.

National benchmarking data for GCE A level and GCSE courses are recorded separately for sixth form colleges and general further education/tertiary colleges. For all other courses, they are calculated for all colleges. Table 6 shows pass rates in GCE A level and GCSE business studies, 1996 to 1998.

**Table 6. Pass rates for GCE A level and GCSE business studies qualifications, 1996 to 1998**

<i>Course</i>	<i>College type</i>	<i>Completion year</i>					
		<i>1995-96</i>		<i>1996-97</i>		<i>1997-98</i>	
		<i>Starters</i>	<i>Pass (%)</i>	<i>Starters</i>	<i>Pass (%)</i>	<i>Starters</i>	<i>Pass (%)</i>
GCE A level business studies and accounting	SFC	7,198	84	7,718	88	8,413	88
GCE A level business studies and accounting	GFEC/TC	7,182	67	8,067	70	7,800	73
GCSE business studies	SFC	1,367	52	1,091	49	994	52
GCSE business studies	GFEC/TC	2,620	27	2,304	33	2,140	33

*Source: ISR data*

*SFC-sixth form college, GFEC-general further education college, TC-tertiary college*

52 Most business studies entries are for GCE A level. Table 6 clearly illustrates the growing popularity of GCE A level business studies in sixth form colleges and improving pass rates in each type of sector college. The largest numbers of students enrol for courses awarded by the Associated Examining Board. Statistics from the board show increasing numbers of enrolments for modular programmes, with just under half the total entries accounting for this mode of study. Overall, pass rates and the proportion of higher grades for modular programmes are also higher than those for linear modes of study. Inspection evidence suggests that the modular structure, with the opportunity to retake modules and to build a profile of achievement during a course, improves motivation and the incentive to complete a programme of study. By contrast, pass rates in GCE A level and GCSE accounts are declining in many colleges, leading in a number of cases to withdrawal of the courses. Although GCSE business studies pass rates at grade C or above are improving in general further education colleges, they are still unsatisfactory. The numbers starting such courses show a steady decline.

At one sixth form college, in an area with significant levels of social deprivation in Yorkshire and Humberside, business students' achievements are often outstanding. In 1998, the pass rate on the full-time GCE A level business studies course was 96% and the proportion of higher grades A to C was significantly above the national average for similar colleges. Students also gained higher grades than those predicted from their GCSE scores on entry. Students' files are checked regularly to ensure that they are well presented and appropriately indexed. Teachers have high expectations of students and always start courses with positive messages. For example, the success rates and destinations of previous business studies students are displayed in classrooms and discussed with new groups. Past students visit the college to support students with course activities. There is a clear

homework policy which is effectively explained and referred to throughout the course. Progress tests are set each half term. Individual review and action-planning sessions are at the centre of students' learning. A target grade is agreed with each student towards the end of the first term. Teachers work well together in giving extra support to individual students who have been identified as needing it during course reviews.

Students are encouraged to access the departmental business website which has a wide range of study materials including on-line tests. Teachers use their experience as examiners and senior examiners to ensure that students develop effective approaches to examinations and projects. Teaching teams use meetings and staff development sessions to standardise their grades. Managers give new teachers extra support to enable them to develop consistent approaches to assessment. Students receive detailed oral and written feedback on their work and sample answers are used effectively to illustrate good and weak practice. Work produced by individual students is shared amongst the group. Students have copies of marking schemes and are encouraged to comment constructively on ways of improving the scripts of fellow students.

53 Many sixth form colleges use value-added measures when judging success at GCE A level; a much smaller proportion of general further education colleges do so. There is no uniform scheme for comparing students' GCE A level grades with their GCSE results although many institutions use a national system under which their performance is compared with similar colleges. Some colleges set target grades which are based on the historical performance of previous cohorts of students. Too few colleges use value-added measures effectively when evaluating overall or individual performance at GCE A level. Such measures are particularly useful when the entry profile of students' GCSE grades is low, making direct comparison of results with raw national data less appropriate.

54 The numbers starting on GNVQ and equivalent pre-GNVQ courses show a decline in all cases over the three-year period (table 7). The decline is most marked on the national diploma programme. Pass rates on all programmes have remained relatively constant. However, as the last business survey recognised, there is a higher pass rate on national diploma and certificate courses where assignments are set and assessed by teachers. In 1998, for example, the national diploma pass rate was 15% higher than that for the GNVQ advanced although the two qualifications are of the same level. Some GNVQ advanced students find the mandatory units on finance particularly difficult and their lack of success in external tests prevents them from receiving the full award.

**Table 7. Pass rates for GNVQ business and BTEC qualifications for all colleges, 1996 to 1998**

<i>Programme</i>	<i>Completion year</i>					
	<i>1996</i>		<i>1997</i>		<i>1998</i>	
	<i>Starters</i>	<i>Pass (%)</i>	<i>Starters</i>	<i>Pass (%)</i>	<i>Starters</i>	<i>Pass (%)</i>
GNVQ intermediate	7,934	66	7,502	71	7,141	71
GNVQ advanced	14,200	73	14,427	71	13,234	73
BTEC national diploma	1,944	85	667	81	472	88
BTEC national certificate	5,943	77	4,654	79	2,847	79

*Source: ISR data*

At one general further education college in the Greater London region, improvement strategies were put in place to address some poor pass rates on the GNVQ intermediate business. The programme of assignments was re-written to include more primary business research and is now entirely based on realistic business scenarios. The college learning centre is used for secondary research, where students work in groups using the resources in the centre. Unit tests and preparation for them have been given much greater emphasis in schemes of work.

Detailed testing, based on past test papers, now takes place at the end of each unit, and under similar conditions to those of the external test. This has improved students' confidence and developed their familiarity with examination techniques. Pass rates rose from 53% in 1997 to 91% in 1999.

### ***Pass rates in administration and information technology***

55 Pass rates for selected administration and IT courses, 1996 to 1998, are shown in table 8. Pass rates on NVQ level 2 administration have improved greatly since the last survey report, when less than 50% of students in half the colleges surveyed were successful at NVQ level 3. Since 1995, pass rates have improved to a more satisfactory 69% of those who complete. A larger proportion of students at level 3 study part time whilst in employment,

and are able to use evidence from their jobs to contribute to their assessments. Full-time students at level 3 find it considerably more difficult to develop the required range of competences through work experience and simulated activity within college. A large number of the students who study text processing at stage 1 do not complete the assessed components, depressing the overall pass rate. At stage 2, most students aim for the external qualification, and achievements are significantly better. Part 2 achievement rates have generally improved; in particular, wordprocessing at stage 2 shows a 12% improvement over the three-year period shown. Business IT course numbers have grown almost exponentially over recent years. Most students on introductory courses are adults, studying part time. Many do not consider the examination a key aspect of the course.

**Table 8. Pass rates for selected administration and information technology qualifications for all colleges, 1996 to 1998**

<i>Programme</i>	<i>Completion year</i>					
	<i>1996</i>		<i>1997</i>		<i>1998</i>	
	<i>Starters</i>	<i>Pass (%)</i>	<i>Starters</i>	<i>Pass (%)</i>	<i>Starters</i>	<i>Pass (%)</i>
NVQ level 2 administration	2,493	51	3,016	63	6,157	74
NVQ level 3 administration	3,347	56	4,280	62	3,966	69
Text processing 1 part 1	6,258	65	10,214	56	11,289	63
Text processing 2 part 1	3,516	74	5,648	71	7,111	77
Wordprocessing 2 part 2	3,183	62	4,342	67	4,360	74
Computer literacy and information technology	43,324	52	78,973	55	113,342	60
Integrated business technology 2	2,239	58	7,423	57	17,884	56

*Source: ISR (1996, 1997 and 1998)*

One medium-sized further education college in the Yorkshire and Humberside region, with an annual cohort of over 700 students, of whom typically 100 reach stage 3, has consistently achieved retention and pass rates of close to 90% for office skills subjects. The modular qualification framework ensures that programmes are tailored to the needs and interests of individuals. Retention is maximised through careful monitoring of absences and as a result of the close rapport developed between teachers and students. Examination practice is systematic and builds confidence. The stage at which students enter for examinations is carefully controlled by teachers and linked to students' record books, which comprehensively document the skills acquired and the past papers successfully completed. An appropriate balance is maintained between encouraging students to work quickly to reach the next attainable level and securing the level of confidence required to perform competently in an examination or at work.

### ***Pass rates on professional and management programmes***

56 Achievements on professional and management programmes vary widely (table 9). For NVQ accounting, pass rates fall significantly at higher levels. In accounting, pass rates are improving at all levels; they are still poor at level 4, although a proportion of the students identify from the outset their priority to achieve specific units of the qualification rather than the full award. The number of students starting accounting programmes has grown significantly over the last three years. Retailing and customer service NVQs attracted large numbers of students in 1996. However, despite the forecasts of a significant growth in employment in this area, they have since declined rapidly. Pass rates in customer service are unsatisfactory. By contrast, achievement rates on the certificate of personnel practice are consistently high. Students are often well supported by teachers and their employer and they are able to use real case studies from their

working environment to help with assignments. At an introductory level, achievements on management programmes are good and improving. However, at higher levels, many students on both marketing and management courses fail to achieve the full award within the conventional timescale. There is an increasing trend for students to progress at a pace, which suits their personal circumstances, and unit achievement by individual students is high.

A wide range of modular professional and management programmes are offered at a large tertiary college in the Northern Region. These modular routes enable part-time students to progress at a pace which fits in with their work and personal commitments. A common teaching workshop programme is offered for all courses and students negotiate the workshops they will attend and the study modules they will complete in any term. Excellent tracking procedures ensure that staff are fully informed of each student's progress. The workshops are supplemented by individual meetings of teacher and student. The learning agreement sets out the intended timescale for completing the full qualification, which may well take more than one year. By setting a realistic time period for completion, achievement levels on management and professional programmes have increased significantly.

57 Pass rates on supervisory management courses have declined to a low level. At NVQ levels 3 and 4 they are unsatisfactory. Some colleges are developing improved ways of tracking and monitoring progress on NVQs but in many colleges practice is unsatisfactory. Students are allowed to remain inactive for long periods of time without demonstrating progress or achieving remaining units. Achievements are high on Trades Union Congress courses which are mainly accredited through the National Open College Network (NOCN). Pass rates average more than 85%.

**Table 9. Pass rates for selected professional and management qualifications for all colleges, 1996 to 1998**

<i>Programme</i>	<i>Completion year</i>					
	<i>1996</i>		<i>1997</i>		<i>1998</i>	
	<i>Starters</i>	<i>Pass (%)</i>	<i>Starters</i>	<i>Pass (%)</i>	<i>Starters</i>	<i>Pass (%)</i>
NVQ level 2 accounting	8,834	50	8,641	51	9,406	59
NVQ level 3 accounting	8,640	37	9,560	33	10,121	43
NVQ level 4 accounting	3,315	19	4,180	29	4,971	34
NVQ level 2 retailing	6,653	32	3,176	81	2,109	73
NVQ level 3 customer service	4,258	48	5,365	36	3,264	58
Certificate in personnel practice	1,838	88	2,098	86	2,518	91
Certificate in marketing	1,539	41	1,596	33	1,766	35
Introductory certificate in supervisory management	4,476	71	5,221	73	6,767	81
NVQ level 3 supervisory management	4,259	52	3,920	56	5,678	26
NVQ level 4 management	4,604	52	4,622	46	3,866	45

*Source: ISR (1996, 1997 and 1998)*

### **Retention rates**

58 Table 10 shows the considerable differences in retention rates between some of the key programmes in business. In business studies, all programmes show a declining trend in retention which is most significant at GCE A level and on the national certificate. The ability of GCE A level business students, as measured by their GCSE results, is often lower than for other GCE A level subjects and business studies is sometimes a second or third choice subject. There appears to be a link between the growing numbers taking GCE A level and worsening retention. This trend is clearly unsatisfactory. Retention on NVQ administration shows a steady improvement over time and may

reflect the greater use of workplace environments to widen students' learning. A feature of single-subject secretarial awards, IT courses and the certificate of personnel practice is the consistently high rate of retention, demonstrating that these courses meet the needs of students. There are also good rates of retention on accounting and management programmes. Retention rates on the introductory certificate in supervisory management and on Trades Union Congress programmes are exemplary.

**Table 10. Retention rates for selected qualifications for all colleges, 1996 to 1998**

<i>Programme</i>	<i>Completion year</i>		
	<i>1996</i>	<i>1997</i>	<i>1998</i>
GCE A level business studies	82	75	76
GCSE business studies	76	72	73
GNVQ intermediate	76	75	75
GNVQ advanced	75	72	71
BTEC national diploma	77	76	71
BTEC national certificate	73	66	65
NVQ level 2 administration	75	77	79
NVQ level 3 administration	83	83	84
Text processing 1 part 1	89	90	88
Text processing 2 part 1	94	96	95
Computer literacy and information technology	89	90	90
NVQ level 2 accounting	80	80	80
NVQ level 3 accounting	82	82	83
NVQ level 3 customer service	80	87	76
Certificate in personnel practice	93	93	93
Certificate in marketing	82	81	81
Introductory certificate in supervisory management	97	98	97
NVQ level 3 supervisory management	88	87	89
NVQ level 4 management	84	88	89

*Source: ISR data*

A college in the Yorkshire and Humberside region, based in a large city, has clear strategies which have helped to improve retention on business studies programmes. All students are allocated a personal tutor and teachers work closely with personal tutors and, where appropriate, parents to monitor students' progress. Tutors and teachers build a partnership with parents through parents' evenings and make early contact with each

other by telephone when problems occur. The college system for reporting students who are a cause for concern is used widely to enable tutors to respond quickly to problems such as poor attendance. Individual students are supported outside formal class time. Teaching and learning materials are differentiated to meet the needs of a wide ability range. Minimum target grades are given to students, who are praised when the outcome of marked work

exceeds these grades. Many students have part-time jobs and teachers encourage them to bring their experiences of work to the classroom. A residential course in the autumn term helps to build a close relationship between teachers and students so that early anxieties can be resolved. Teachers emphasise the importance of praise and encouragement, especially for students who have not achieved well in the past.

### ***Franchised business courses***

59 Records of students' successes on franchised courses are not always complete or reliable; a weakness linked to inadequacies in college's quality assurance systems. Short courses on themes such as health and safety are gradually being withdrawn and a more substantial proportion of work is delivered in the area of business IT. Retention rates are good on these programmes, although pass rates at the introductory level are usually below national averages. Some courses have few students, which restricts the range of activities which might be pursued. The highest success rates are achieved on professional programmes, especially the Association of Accounting Technicians programme. Some colleges are working well with local partners to widen access to business courses.

A tertiary college has a longstanding franchising agreement with the regional chamber of commerce to deliver mainly NVQ accounting programmes and a range of secretarial and business IT courses at centres across the north east of England. External achievements on the accounting programmes are high, significantly above national further education averages. At technician level, for example, pass rates are 20% above the sector average. At foundation level, in 1999, 77% of students achieved the full NVQ. Over 300 students were involved in Association of Accounting Technicians courses in 1999, with an average retention rate of over 90%.

60 Franchising with partners at a distance from the college has largely been unsuccessful. The assurance of quality in centres far from the main location of the college has proved difficult. Where monitoring visits have taken place they are often insufficiently rigorous. For one college, a national distance franchise in business, involving over 17,000 students, resulted in more than 70% of students completing without a known outcome. This illustrates the difficulty of accurately tracking achievement of students dispersed over a wide geographical area.

### ***Progression***

61 Table 11 shows the numbers of students accepted for degree courses in business and administrative studies in 1998, with the percentage change since the last business survey.

**Table 11. Students accepted onto degree and higher national diploma courses**

<i>Qualifying course</i>	<i>Degree entries</i>	<i>Higher national diploma entries</i>	<i>Accepted for business degree (%)</i>		<i>Accepted for business higher national diploma (%)</i>	
	<i>1998</i>	<i>1998</i>	<i>1995</i>	<i>1998</i>	<i>1995</i>	<i>1998</i>
GCE A level	16,027	1,566	87	91	13	9
BTEC or equivalent	3,075	467	60	87	40	13
GNVQ	4,448	2,727	48	62	52	38

Source: UCAS Annual Report 1999

62 The figures demonstrate encouraging trends in acceptances for degree courses from students on GNVQ advanced programmes, suggesting that this qualification is now more widely accepted as equivalent to GCE A levels. Overall, the proportion of students joining higher national diploma courses is declining. The vast majority of students are now degree entrants. An increasing proportion of GNVQ advanced students is progressing to higher education rather than to employment. In many cases, this figure is more than 50%. As in the last survey, the majority of GNVQ intermediate students progress to advanced courses. Progression is less certain from GNVQ foundation business to intermediate. Most NVQ level 2 administration students progress to employment. The majority of students at level 3 are employees, undertaking the programme part time.

## Responding to Change

63 The last year alone has seen many national developments which raise issues for providers of business education and training. Significant among these developments are: the publication of the *Learning and Skills Bill*; the White Paper *Learning to Succeed*; the announcement in *Qualifying for Success* of the reforms associated with curriculum 2000; the greater emphasis upon improving basic skills following the

publications of *Fresh Start*, the report of the Moser working group on improving literacy and numeracy; and the proposed changes in the arrangements for initial teacher training and professional development.

64 Four broad objectives have permeated these national changes. They are:

- widening participation and tackling social exclusion
- enhancing skills and employability
- raising standards of achievement
- working in collaboration across the post-16 sector to achieve the above.

65 During the survey of business, inspectors found many examples of colleges responding successfully to the national agenda.

### ***Widening participation and tackling social exclusion***

66 In the last survey report, inspectors commented favourably on the many initiatives to widen access, through the use of flexible timetables and course structures and the introduction of information and learning technologies. Colleges continue to be responsive to the needs of adult learners and there are many examples of well-designed provision to increase access for disadvantaged groups. Many management, professional and administration courses have been adapted to meet individual students' study needs. In many colleges, it is

possible for students to start courses at different times in the year and to make use of open and distance learning materials, if this suits them. In response to a decline in demand for evening and part-time day courses, some colleges adopted imaginative measures to maintain the level of provision, providing more opportunities for distance learning and more flexible forms of teaching.

Faced with a decline in enrolments on part-time marketing and management courses, one large general further education college in the South East region abandoned its traditional provision, introducing in its place a course in which students worked through open learning materials and received one-to-one tutorial support on a monthly basis. Students on the new course are able to make use of learning resources provided by the professional body, including a specialist CD-ROM incorporating questions and answers from previous examination papers.

67 An increasing number of adults return to learning or training through short skills-based business qualifications in subjects such as wordprocessing, book-keeping and accounts. Courses are increasingly provided by colleges in the local community, often across a wide rural community, through centres, such as libraries and schools. Many adults are keen to acquire IT skills and colleges often capitalise on this by stressing the role of information and learning technology in their marketing literature. For example, a college located in a rural area advertised its programme using the slogan, 'Learning by Laptop'.

68 Many colleges work with local authorities and community groups to offer training to the unemployed and those with few formal qualifications. Where governors and senior managers in colleges take a particular interest in fostering local economic regeneration, business departments have often provided a wide range of relevant training and retraining courses. A tertiary college in the South East region is at the heart of the economic regeneration of a

nearby industrial port. Senior managers have worked closely with government and local agencies to develop a successful local training centre.

Often colleges are able to exploit non-FEFC sources of funding, such as the European Social Fund and the Single Regeneration Budget. For school-leavers with a history of poor performance in formal education, colleges report success with the use of local business mentors. By taking a strong personal interest in individual students and offering positive role models, many mentors are able to re-motivate students and encourage them to continue with learning and training.

One college in the Northern Region worked closely with the local authority and voluntary groups in a project designed to retrain unemployed young people in wards with a high incidence of social deprivation. Training was within the local community and focused upon improving basic skills. The training also included job search and NVQs in business administration. Local employers were able to contribute to the scheme by providing managers who acted as mentors and had regular weekly contact with trainees. It was common for trainees to visit their mentors in the work situation. This allowed mentors to provide trainees with further experience of business and gave many trainees confidence in coping with unfamiliar work situations.

69 Colleges highlight the following factors as crucial to the success of drawing disadvantaged students back into education:

- offering provision in community locations
- gaining funding for start-up costs or to enable tuition to be offered free
- seeking sources of financial assistance for students
- working in partnership with local employers and community groups
- selecting teachers who have empathy with non-traditional learners and who can thrive in community settings

- giving students credit for their achievements through the use of 'bitesized', unit-based qualifications
- having adequate administrative support to keep track of both students and the allocation of expenditure.

### ***Enhancing skills and employability***

70 Many colleges play an important role in developing vocational skills and enhancing individuals' prospects of employment. A large number have established specialist units for business development, whose primary role is to organise training in response to local needs. Often they work with local companies to undertake an analysis of training needs.

As a result of increased employment in telephone call centres, one college in the Northern Region worked successfully with local employers to provide specialist training for new employees. College staff from the business development unit worked with training officers from local companies to identify the skills required. These included good keyboarding skills, a good knowledge of the product and an effective telephone manner. Business teachers from the college identified a suitable NVQ to recognise students' achievements and a training centre was opened on an industrial park close to the major call centres. This was a fresh initiative for both the college and the employers. The college successfully influenced the content of the qualification.

71 Although many colleges have a good record of responding to specific training needs, there is often a lack of systematic marketing data to inform the pattern of provision. Colleges frequently rely upon the local marketing intelligence data provided by training and enterprise councils. However, this is usually too generalised to enable colleges to analyse and respond to the training needs of particular occupations.

72 A few colleges employ techniques of customer care, more commonly associated with the retail industry.

A college in the South West region has introduced a range of measures to develop its links with local companies. These include:

- a regular business newsletter to employers
- working breakfasts and lunches at employers' premises
- detailed analysis of the client profile for business, management and professional courses, so that publicity can be targeted effectively
- maintaining contact with company employees who have completed a period of training
- on-line opportunities for study through a direct Internet link, enabling employers to access the college's virtual campus for open learning
- working with other colleges and private training providers to pool expertise and broaden the range of courses offered
- developing high street and in-company training centres that make use of business software.

73 Many teachers maintain close links with professional bodies, such as the Institute of Personnel and Development and the Chartered Institute of Marketing. Often, good relationships are maintained with the local branches of professional bodies, and local practitioners are able to contribute to the teaching and assessment of courses. These contacts can also provide a useful source of market intelligence for colleges. It is also common for local professional bodies to award prizes for outstanding performance by students and participate in awards ceremonies; a concrete example of the benefits of two-way contact between colleges and employers.

## ***Collaboration with schools and universities***

74 Many colleges work in partnership with schools and regional universities. In some areas, there is successful collaboration with local secondary schools to make vocational courses available to pupils. For example, one college in the Yorkshire and Humberside region, in an area where the GCSE achievement of school-leavers is poor, has co-operated for several years with local schools in running a GNVQ foundation course for years 10 and 11. Pupils who might otherwise withdraw from full-time education attend the college one day each week. They are more highly motivated by the opportunity to develop their vocational skills in the adult environment of a college. Whilst a lot of colleges are placing greater emphasis on joint working with schools, there are still many areas where there is intense competition between schools and colleges for post-16 students, and little evidence of successful collaboration.

75 In addition to FEFC-funded provision, many colleges run business courses, funded by the Higher Education Funding Council for England (HEFCE). For example, they run higher national certificate and diploma courses which often lead to degrees in business at local universities. Colleges also work with regional universities which validate other higher education courses offered by further education colleges. Effective collaboration is increasing, for example in the number of research projects undertaken for local business and the number of joint staff development activities. Such links help provide adult students with local access to higher education. Many colleges have taken a leading role in informing university admissions tutors and local careers advisers on the changes associated with curriculum 2000.

## ***New learning technologies***

76 The use of basic IT software such as wordprocessing and spreadsheets has become routine for the majority of students on

vocational business courses. However, teachers' skills in the use of IT vary widely. Often, they are unable to exploit its full potential. In particular, they lack the skills to make use of more interactive software. In recognition of this, many colleges are giving a high priority to developing their teachers' IT skills. In one college in the Eastern Region, all permanent teachers have been issued with a laptop computer and are being trained in the use of basic IT applications. Most internal communication within the college is by electronic mail and the college intranet. As a result of this, many staff who previously lacked confidence were making use of IT applications on a regular basis. Many colleges in rural areas are using IT to widen access to education and training.

A tertiary college in the East Midlands region offers business courses to adults in several outlying villages. The college has strong links with the national 'telecottaging' association. The provision is based upon teachers taking laptop computers to locations such as schools and village halls and providing courses in business administration. Students are enthusiastic about the opportunity to undertake training in their own communities and some intend to gain subsequent employment as 'teleworkers'. The scheme is successful because a self-reliant team of teachers with good IT skills has developed confidence in working at a distance from the main college. Members of the team make use of electronic mail and video-conferencing to maintain close contact with each other. The scheme exploits the potential of working closely with voluntary groups in the local community.

## ***Developing the skills and capabilities of teachers***

77 The last survey report identified the outdated commercial and industrial experience of teachers as a major weakness. Since then, there have been a number of key developments nationally. These include, a growth in the

number of teachers employed on part-time and fractional contracts and the publication of standards for teaching and learning by the Further Education National Training Organisation (FENTO). These standards recognise that continuous professional development is essential for teachers to keep abreast of their subject and occupational areas. The DfEE has published a consultation document on this subject and is committed to improving procedures for initial teacher training and professional updating in the further education sector.

78 Inspectors found that many aspects of continuous professional development were effectively handled by colleges. Most teachers of business had benefited from curriculum updating and had trained for assessor awards. Many had attended specific training on changes to the 16 to 18 curriculum associated with curriculum 2000 and were well advanced in planning for the new GCE A level and GNVQ awards. Teachers are increasingly employed as moderators and examiners. This provides valuable additional expertise which is used to inform colleagues and improve practice. A number of the professional bodies offer a programme of seminars to support new and existing teachers of their subjects.

The Chartered Institute of Marketing has expanded its range of seminars to embrace the expertise of teachers in colleges who have successfully taught and managed marketing courses. They present highly effective seminars to teachers from newly accredited colleges. The Association of Accounting Technicians has a highly effective regional network for teachers.

79 Part-time teachers play a critical role in the teaching of business. They often bring to teaching current knowledge of business practice. This helps to make up for the continuing lack of recent industrial and commercial experience of some business teachers. In some subject areas, for example professional accountancy and

marketing, the contribution of part-time teachers is vital. As highlighted in *Quality and Standards in Further Education in England 1998-99; Chief inspector's annual report*, many colleges fail to ensure that part-time teachers become integral members of teaching teams. The problem is often greatest for part-time teachers on contracts paid by the hour. Nevertheless, there are some examples of good links between full-time and part-time teachers.

One college in the Midlands region provides training in pedagogical skills for all part-time management teachers. They attend a compulsory training session, covering the skills of lesson planning, identifying students' preferred learning styles and the role of assessment. Part-time teachers are then allocated to an experienced teacher who acts as a mentor and whose teaching they observe. Subsequently, they are encouraged to undertake a basic teaching qualification. This systematic approach to training benefits students because part-time teachers learn to communicate their specialist knowledge more effectively. It also leads to better communication and higher levels of mutual support amongst management teachers. In the same college, electronic mail is used effectively to keep in contact with part-time staff.

80 Such examples of good practice are the exception rather than the norm. Despite the substantial growth in the number of teachers on fractional and contracts paid by the hour, few colleges have addressed the issue of how to manage this more diverse group of teachers to assure the quality of teaching. Too little attention is paid to basic aspects of human resource management, such as the use of common procedures for recruiting and selecting teachers paid by the hour and attending to their subsequent training and development.

## Key Generic Issues and Themes

As part of the survey, generic issues and themes were identified to guide inspectors' visits to colleges. These were derived from the key issues identified in the inspectorate's last business survey, published in 1997, and in the chief inspector's annual reports. Not all themes were explored in each college. The key generic issues and themes identified were:

- widening participation
- flexibility in modes of delivery
- responding to employers' training needs
- collaborative working
- appropriateness of teaching
- key skills
- new learning technologies
- students' achievements and retention
- equal opportunities
- accommodation and specialist resources
- industrial and commercial experience of teachers
- contribution and quality of part-time teachers
- collaboration with validating and awarding bodies.

# Annex B

## Colleges Visited

Blackpool and The Fylde College

Bolton Sixth Form College

Calderdale Colleges Corporation (The)

Carlisle College

Chichester College of Arts, Science and Technology

City of Bristol College

City of Sunderland College

College of Richard Collyer in Horsham

College of West Anglia (The)

Cornwall College

Coulsdon College

Daventry Tertiary College

East Devon College

Farnham College

Gateshead College

Gloucestershire College of Arts and Technology

Grantham College

Great Yarmouth College of Further Education

Harrow College

Hull College

Keighley College

Lancaster and Morecombe College

Leyton Sixth Form College

Long Road Sixth Form College

Luton Sixth Form College

New College, Nottingham

North Hertfordshire College

North Nottinghamshire College

Norwich City College of Further and Higher Education

Park Lane College

Penwith College

Preston College

Regent College

Sheffield College (The)

St Charles Catholic Sixth Form College

Sutton Coldfield College

Swindon College

Thomas Rotherham College

Uxbridge College

Warwickshire College, Royal Leamington Spa and Moreton Morrell

West Suffolk College

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