

# RESEARCH

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Employer Perspectives on Part-  
time Students in UK Higher  
Education

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**A joint report by the Higher Education Careers Services Unit  
(HECSU) and the Department for Business, Innovation and  
Skills (BIS)**

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# Executive Summary

Part-time participation in higher education (HE) by people already in employment potentially represents an important means of skills updating and improvement for the UK economy. In particular, combining prior work experience and part-time HE study could help to increase the supply of highly-educated people with the types of 'employability skills' that are widely sought by employers. A further attraction of this mode of skills development is that it minimises absence from work, with individuals investing their own time in study.

In this context there is considerable interest in learning more about the extent to which UK employers provide support with course fees and other costs of part-time HE study – a form of support which is widespread in the United States. In this report we draw on recent surveys of part-time students and their employers in the UK in order to investigate the extent and nature of employer support for part-time HE study and the perceived advantages and disadvantages of this kind of study for the organisations concerned.

The bulk of the analysis is based on a survey of 294 employers of part-time students which was carried out in 2009 for the Higher Education Careers Services Unit (HECSU) and the Department for Business, Innovation and Skills (BIS). The employers were identified from information provided by a subset of 3288 part-time students in employment who were interviewed as part of a large-scale survey of part-time HE students in 2008. By design, the student survey focussed on a mix of students aiming for First degree, Foundation degree and Higher National qualifications.

About a third of student employees reported that their employers paid for all their course fees as well as providing other kinds of support such as paid time off to study or payment of other course expenses. Another 15% of students reported receiving partial fee support plus additional support or fee support with no other kinds of support. Only three out of ten student employees said that they did not receive any kind of support from their employers.

Multivariate regression analysis of the Student Survey data shows that, after taking account of various factors such as age, gender, subject of study, whether employed full-time, ethnic minority status, type of higher education institution, previous qualifications and household income, the estimated probability of part-time students having all their course fees paid by their employers is highest for part-time Higher National Students, followed by Foundation degree students and then First degree students.

It is notable that employer fee support is significantly and positively related to the extent to which students cited job requirements and employer encouragement as factors triggering their decision to study rather than their own desires for change or family-based motives for study. These results confirm that student motivations do matter to employers who (as we describe below) take such motivations into account when imposing conditions on their support.

Other inferences of interest from the student-based analysis are as follows: the probability of receiving employer support with fees, either in full or in part, is higher for full-time employees than for part-time employees; for students aged 35-44 compared to younger students for engineering and technology students compared to those taking other subjects; for students enrolled in higher education institutions compared to those attending FE colleges; and for students in households with annual incomes in excess of £25,000. All else being equal, ethnic minority students are substantially less likely than white students to receive fee support. In terms of gender, the probability of female students receiving full fee support from employers is five percentage points greater than for male employees; however, there are no significant gender differences on a wider measure of full or partial fee support.

In order to identify firms or organisations that might be willing to participate in the employer survey, student survey participants were asked if they would be willing to provide contact details for their employers. From this information we obtained 294 completed and usable interviews with employers who were spread across a wide range of establishment size groups. They also cover a mix of manufacturing and service sectors but are nonetheless heavily concentrated in education (one third of the sample) and other public services such as public administration and health (which together account for another third of survey participants).

Analysis of Labour Force Survey data suggests that part-time HE students do represent a substantially higher proportion of total employment in public service sectors (1.0-1.3%) than they do of employment in the economy as a whole (0.7%). However, it is likely that public sector employers are over-represented in our sample. Furthermore, the employer survey participants are also above average in terms of providing fee support for part-time study, in part because students matched to employers are more likely to work full-time and more likely to be motivated by job requirements in their decisions to study part-time than are other students. These characteristics of our employer sample need to be borne in mind when interpreting our main results.

Just under two thirds of employer survey respondents were aware of at least one employee undertaking part-time HE studies to the level aimed for by the student who provided us with employer information. Another 20% of employers were aware of at least one employee undertaking part-time HE studies but could not specify any of the qualification aims involved. That leaves 15% who were not aware of any employees studying part-time in spite of their contact details being given to us by student survey participants. This might be due to the survey respondents in these cases – general managers in small establishments, human resource or personnel managers in medium-sized and large establishments – not working closely with the individual students concerned.

About half of the employers who were aware of part-time students among their employees reported that those students were studying for two or more different types of qualification. In total 55% of employers reported at least one First degree student, 38% reported at least one Foundation degree student, 37% at least one Higher National student and 21% reported at least one employee studying part-time in HE but could not specify their qualification aim.

Looking at the three main qualification groups, the proportion of employers who paid full fees for a majority of their student employees ranged from 40% of those employing First degree students to 47% of those with employees studying for Higher National qualifications. The proportion of employers providing partial fee support for a majority of student employees ranged from 15% in the case of Higher National students up to 28% for First degree students. A third category of employers who reported offering some degree of fee support but were unable to quantify its extent represented 17-34% of establishments in each qualification group. These estimates refer solely to employers who were aware of employing at least one part-time student. Taking the sample as a whole, only 22% of the 294 establishments did not provide any fee support at all, and the majority of these were cases where survey respondents were unaware that any of their employees were studying towards HE qualifications.

Further multivariate analysis of the student survey data incorporating information on employer characteristics suggests that the relatively high proportion of employers contributing to course fees is not being driven by the large share of public sector establishments in the sample. Rather, the main positive influences seem to be employer-specific in nature, such as foreign ownership and skill-intensity (proxied by the graduate share of employment). Additional analysis taking employers rather than students as the unit of analysis finds that employers are also more likely to provide fee support if they operate with a formal training plan and budget and if their interactions with universities involve research and development and the design and delivery of courses.

By contrast, the analysis suggests that links with universities for training purposes are negatively associated with fee provision which suggests that, in some firms and organisations, short courses of training provided by universities may be seen as a substitute for supporting employees to study part-time for HE qualifications. Similarly, there is evidence that, for at least some employers, active involvement in recruitment of new graduates and provision of sandwich placements for full-time university students may be a substitute for support of existing employees to study part-time in HE. Follow-up interviews with employers suggested that some of them did indeed see external recruitment and support for part-time study as directly opposing alternatives. But other employers were keen to have a mix of 'home-grown' graduates and externally-recruited graduates.

Employers' reasons for supporting part-time HE study are closely linked to organisational performance. For example, a large majority of supportive employers believe that their organisations benefit from the employees concerned becoming more knowledgeable and better equipped with job-related skills. Among other benefits, some employers also note positive contributions to productivity and efficiency, increased staff retention and improved staff attitudes and career progression.

This employer support for part-time HE study is rarely unconditional in nature. Large majorities of supportive employers stipulate that courses have to be work-related and more than half of them report that employees are obliged to pay back fees if they leave the firm or organisation before a certain time period has elapsed. This conditionality is strictest in workplaces where the initiative to undertake part-time study tends to come from the employees themselves rather than being driven by employers. In these contexts employers may support part-time study as a means of staff development but they are anxious to ensure that the study is work-related.

A majority of part-time students in the surveyed firms and organizations were already well qualified (often to level NVQ4 or higher in the case of First degree students) and were already in managerial, professional or associate professional occupations. This may reflect a perception of higher returns to education and training if it is made available to people who have a demonstrated ability to benefit from such provision. But it could also reflect a greater self-confidence about undertaking part-time study among employees who are already well-qualified. In about seven out of ten workplaces, employers said that it was very often or quite often the case that employees initiated the idea of part-time study.

In spite of the importance of individual initiative in many firms and organisations, some employers do actively seek to encourage employees to enrol for part-time study. The proportion of employers offering 'a lot' of advice on how part-time study could affect employees' careers was as high as 42% in the case of employers of Foundation degree students and ranged from 31-35% in the other qualification groups. Internal training is also often modified to build on employees' part-time studies. The proportion of employers reporting at least some links between part-time studies and in-house training ranged from 62% of those employing First degree students to 72% of those employing Higher National students.

The survey also found evidence that part-time study often leads to more demanding tasks and responsibilities and to higher-paying jobs for the individuals concerned although employers were more likely to report these developments as happening 'quite often' rather than 'very often'. In addition, a sizeable minority of employers (about one in four) conceded that employees could be disappointed by the lack of opportunities to make use of their new skills and knowledge in their current jobs. A majority of employers reported that part-time study was frequently taken into account in staff appraisals but study achievements rarely lead automatically to pay increases. To some extent these mixed outcomes reflected the predominance of public sector employers with rigid salary structures in the sample whereas private sector employers tended to be more flexible on the question of whether gaining qualifications through part-time study could lead to pay increases.

Although most employers took care to state that part-time HE study does not automatically enhance career prospects for the individuals concerned, there were clear signs in the survey that employers appreciate the skills and knowledge possessed by employees who engage in part-time study as compared to persons with the same qualifications that they might recruit from outside their firms or organisations. Just under two thirds of employers of Higher National students agreed, strongly or to some extent, with a statement that:



*"[Holders of HE qualifications] who gain their qualifications by studying part-time while in employment tend to have superior skills and knowledge compared to new graduates or those who gain their qualifications on full-time courses"*

Similar agreement with this statement was expressed by 60% of those employing First degree students and 52% of those employing Foundation degree students. Only 9-16% of employers across all qualification groups expressed any disagreement with this statement.

As a further vote of confidence in the merits of combining in-house experience with part-time study for HE qualifications, hardly any employers supporting part-time students were less in favour of doing so than they had been before providing support. Furthermore, one in three said that their views about supporting part-time students had become more positive over time. However, there were signs of concern about the prospect of higher tuition fees.

Cost issues also arose when employers were asked about barriers and disadvantages to supporting part-time study. The most common replies related to the financial costs of course fees and the time off work that employees need for study or exams. Very few employers said there were no disadvantages at all. However, awareness of costs relating to fees and time off work had not prevented most of these employers from offering support for part-time study. Indeed, the fact that perceived benefits seem to outweigh disadvantages for many employers in our survey is shown by the responses of currently *non*-supportive employers when they were asked if they expected to provide support for part-time study in the future. Seven out of ten of these employers said they did expect to do so and their expectations of the benefits included improvements in career progression, staff attitudes and productivity and efficiency.

Several caveats about our findings need to be taken into account. The employer survey sample is not typical of the broad mass of employers in its willingness to support such study. Furthermore, public sector employers are over-represented in our sample, even when we allow for the fact that (according to Labour Force Survey data) the proportion of employees studying part-time in HE is substantially larger in public sector organisations than it is in the private sector.

Nonetheless, the very positive assessment of employees studying part-time for HE qualifications that we have found raises questions about why more employers do not perceive the costs of supported study to be outweighed by the benefits in the same way as most of our survey participants do. The likely answers are, firstly, that employers differ greatly in the extent to which they have high-level skill requirements or recognise the need for this level of skills. Secondly, employers may differ greatly in the extent to which they regard supporting employees on courses leading to formal HE qualifications as the best means of meeting their high-level skill needs. In some cases employers may prefer to rely on internal training provision or on private sector training providers rather than turn to HE institutions. In other cases employers may make use of HE providers but only for short training courses which do not necessarily lead to certification of any kind. To some extent this is borne out by the



multivariate analysis described above (Paragraph 14). Future research could usefully explore employers' assessments of these different options in greater detail.

So far as policy-makers are concerned, some striking features of part-time HE study and employer support for it are the roles played by individual initiative in embarking on such study, the willingness of individuals to invest their own time in part-time study and the extent to which such study is work-related. In this context part-time study in HE represents a valuable means of acquiring work-related skills which does not rest upon individual absence from the workplace. In other countries such as the US, where employer support for part-time study is more common than in the UK, this form of skills acquisition is also seen to contribute to greater staff retention, thus adding to the logic of employer support for it. Thus future research should also investigate the incentive structures underpinning employer support for part-time study in other countries such as the US, in order to learn more about how they compare with the UK.

# 1. Introduction <sup>1</sup>

Part-time participation in higher education (HE) by people already in employment potentially represents an important means of skills updating and improvement for the UK economy (Leitch Review of Skills, 2006). In particular, combining prior work experience and part-time HE study could help to increase the supply of highly-educated people with the types of ‘employability skills’ that are widely sought by employers (Archer and Davison, 2008; Universities UK/CBI, 2009; Mason, Williams and Cranmer, 2009).

Furthermore, part-time study by people already in employment offers a potentially attractive prospect of joint investments by individuals and employers in skills development, with individuals investing their own time in study while employers provide support with course fees and other costs. Employer support of this kind is widespread in the United States (Cappelli, 2004) and available evidence suggests that a sizeable proportion of part-time students in the UK do indeed receive some kind of support from their employers in the form of reimbursement of tuition fees or paid time off work to study (Callender et al, 2006).

However, employers have a wide range of high-level skill requirements, only some of which are best met through employees following HE courses which lead to formal qualifications. In some cases employers may prefer to rely on internal training provision or on private sector training providers rather than turn to HE institutions. In other cases employers may make use of HE providers but only for short training courses which do not necessarily lead to certification of any kind (Connor and Hirsh, 2008; Kewin and Casey, 2009).

In the case studies examined by Connor and Hirsh, they observe that ‘in general, accreditation of learning was seen to be valued more by employees than their employers, except in the more regulated industries’ (2008: 21). This is consistent with other evidence that, when employers do provide support for courses leading to formal qualifications, this may have as much or more to do with the ‘personal development’ of the employee as it has to do with raising skill levels (Kewin and Casey, 2009). Staff development of this kind is often seen as a means of cementing employee loyalty to the firm or organisation (Green et al, 2000; Cappelli, 2004).

In short, when firms and organisations are seeking to meet their high-level skill needs, providing support for existing employees to study part-time for HE qualifications is just one of several options that are open to them. Alternative approaches range from recruitment of ‘ready-made’ graduates to short courses of high-level skills updating for existing staff. In this report we focus on employer support for part-time HE study, with particular emphasis on learning more about what employers see as the advantages and disadvantages of this form of skills development. In

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particular, we draw on recent surveys of students and employers to pose the following questions:

- What kinds of employer are most likely to support employees to study part-time for HE qualifications?
- How do employers perceive the advantages and disadvantages of part-time HE study to their organisations and to individual employees?
- To what extent do employers encourage or support part-time study for different types of employee?
- What kind of support is provided? (e.g., reimbursement of tuition fees and other costs; allowing paid time off work to study).
- What kinds of conditions, if any, are placed on different kinds of employer support for part-time study?
- How involved do employers get in the selection of courses and HE institutions for their employees?
- To what extent is part-time HE study integrated with training provided directly by employers?
- What is the impact of part-time study on individual employees' salaries, career prospects and job mobility?
- To what extent does part-time study lead to employees being given more demanding tasks and responsibilities in their current jobs?
- Have employers' views about the benefits of part-time study to the organization changed following the experience of employees undertaking part-time study?
- How do employers evaluate the advantages and disadvantages of supporting existing employees to study part-time for HE qualifications as compared with recruiting new graduates straight from university?

Our analysis is based on a large-scale survey of part-time students which was carried out in 2008 for the Higher Education Careers Services Unit (HECSU) and the Department for Business, Innovation and Skills (BIS) together with a 2009 survey of the employers of a subset of individuals in the student survey.<sup>2</sup> The paper is ordered as follows: Section 2 describes the two surveys in more detail and provides further details of our research methodology. Section 3 assesses the degree of encouragement and support for part-time study that students have received from their employers. Section 4 examines employer perspectives on part-time HE study by employees in detail, with particular emphasis on their motivations for either providing or withholding support for this kind of skills acquisition. Section 5 summarises our main findings and discusses their policy implications.

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<sup>2</sup> This report complements a fuller description of the Student Survey findings which are presented in Callender, Hopkin and Wilkinson (2010).

## 2. Research methods and data sources

This report follows the Higher Education Statistics Agency (HESA) definition of part-time HE students, that is, they are defined residually as those who do not meet the HESA definition of full-time.<sup>3</sup> Thus HE students are classified as part-time if they are not normally required to attend a higher education institution for at least 21 hours per week for 24 weeks per year of study. This definition of part-time includes students on block release from their places of employment and those studying during the evenings.

Our key data sources are:

1. A structured survey of 3704 part-time students which was carried out between June-October 2008, using a combination of on-line and telephone survey methods.<sup>4</sup> In total, 3288 of these students were in full-time or part-time employment.
2. A structured telephone survey of 294 employers of a subset of these students, carried out in February-March 2009.
3. Semi-structured follow-up telephone interviews with 15 of these employers in August 2009, designed to probe key issues of interest in greater depth.

By design the student survey was fairly evenly divided between first-year 'starters' and final-year 'completers' and was confined to students aiming for one of three different qualifications:

- First degrees
- Foundation degrees
- Higher National Certificates or Diplomas

In order to identify firms or organisations which might be willing to participate in the employer survey, student survey participants were asked if they would be willing to provide contact details for their employers. Some 908 of the 3288 student employees (28%) did so and from this information we obtained 294 completed and usable interviews with employers.<sup>5</sup>

Given that only a minority of student survey participants were willing to supply us with contact details, and only a minority of these employers could be contacted for interview, it is likely that our achieved sample of employers is atypical in some respects of the larger group of employers of part-time HE students from which the employer sample is drawn. Therefore, throughout this report we take care to compare data from our sample of employers with data derived from the

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<sup>3</sup> The HESA definition of full-time students is those who are normally required to attend a higher education institution for at least 21 hours per week over at least 24 weeks per year of study, or who are on thick or thin sandwich courses, or are on a study-related year away from their institution.

<sup>4</sup> See Callender, Hopkin and Wilkinson (2010) for further details of research methods and response rates relating to this student survey.

<sup>5</sup> Of the 908 employers for whom we had contact details, some 474 were found to be potentially available for interview during the required time period. Of these, 294 (62%) completed interviews and 180 (38%) refused to participate.

larger student survey which pertains to employers. Where appropriate, this comparison is later used to qualify the conclusions we draw from analysis of employer survey data.

Table 2.1, Column 1, shows that, in terms of qualification aim, the full student sample breaks down between 59% First degree students, 22% Foundation degrees and 19% Higher Nationals. When the survey data are weighted to take account of the distribution of part-time students by qualification aim, age group and subject area in the full student population recorded by HESA (Column 2), we see that Foundation degree and Higher National students are over-represented in our sample relative to First degree students. Students aged 25 or more are also slightly over-represented relative to younger students as are students taking education and engineering and technology subjects relative to other subjects. However, there is very little difference between weighted and unweighted estimates of the proportion of students who are employees.

| <b>Table 2.1: Student sample, analysed by qualification aim, age group and subject area (a)</b> |                                       |   |
|---|---------------------------------------|---|
|   | <b>% of students<br/>(unweighted)</b> | <b>% of students (weighted)<br/>(b)</b> |
| <b>A. Qualification aim:</b>  |                                       |   |
| First degree  | 59                                    | 71                                      |
| Foundation degree   | 22                                    | 20                                      |
| Higher National   | 19                                    | 8                                       |
| Total   | 100                                   | 100                                     |
| <b>B. Age group at 31 August 2007:</b>  |                                       |   |
| Under 25  | 21                                    | 26                                      |
| 25-34   | 27                                    | 26                                      |
| 35-44   | 30                                    | 28                                      |
| 45-plus   | 17                                    | 16                                      |
| Age not disclosed   | 5                                     | 4                                       |
| Total   | 100                                   | 100                                     |
| <b>C. Subject area:</b>   |                                       |   |
| Engineering & technology  | 21                                    | 18                                      |
| Social sciences   | 18                                    | 26                                      |
| Law   | 10                                    | 10                                      |
| Business studies  | 20                                    | 24                                      |
| Education   | 30                                    | 19                                      |
| Multi-disciplinary  | 1                                     | 2                                       |
| Total   | 100                                   | 100                                     |
| <b>D. Employment status:</b>  |                                       |   |
| Full-time employee  | 71                                    | 71                                      |
| Part-time employee  | 17                                    | 17                                      |
| Other (c)   | 11                                    | 12                                      |
| Total   | 100                                   | 100                                     |
| <i>n</i> =  | <i>3704</i>                           | <i>3704</i>                             |

Source: Student Survey

Note:

(a) Column percentage totals may not sum to 100 due to rounding. This point applies to all tables in this report.

(b) Weighted in line with the distribution of part-time students by qualification aim, age group and subject area recorded by HESA for the UK in 2007-08.

(c) 'Other' here includes self-employed as well as non-employed.

In the main report on the student survey, Callender et al (2010) present a full set of descriptive statistics on a population-weighted basis. However, in this report we are primarily interested in the subset of part-time students who are employees, and in how this group of student employees compares with the small number of students who have been matched to firms and organisations in the employer survey. Therefore, it is not appropriate to use weighting factors

designed for the whole student sample and we confine ourselves here to estimates based on unweighted student data.

Some 57% of the 3288 student employees in the sample are pursuing First degree qualifications while 24% are studying for Foundation degrees and 19% for Higher National certificates or diplomas (Table 2.2). Table 2.3 compares these qualification groups on a number of student characteristics and shows that part-time First degree student employees in the sample tend to be older than Foundation degree and Higher National students and are more likely to be attending HE institutions (including the Open University), to have previous qualifications at NVQ level 4 or higher and to be studying social science and law subjects. By contrast, more than half the part-time Foundation degree student employees in the sample are studying education while a similar proportion of part-time Higher National student employees are studying engineering and technology subjects.

| <b>Table 2.2: Employees in student sample and students matched to employers in employer survey, analysed by qualification aim (unweighted)</b> |  |  |
|--|--|--|
|  | <b>All student employees in sample</b> | <b>All students matched to employers</b> |
|  | <i>% of students</i>                   |  |
| <b>Qualification aim:</b>  |  |  |
| First degree   | 57                                     | 53                                       |
| Foundation degree  | 24                                     | 26                                       |
| Higher National  | 19                                     | 21                                       |
| Total  | 100                                    | 100                                      |
| <i>n</i> =   | 3288                                   | 294                                      |

Source: Student Survey



**Table 2.3: Employees in student sample and students matched to employers in employer survey, analysed by qualification aim and individual and institutional characteristics (unweighted)**

|                                  | All student employees in sample |                   |                 |       |  | All students matched to employers |
|----------------------------------|---------------------------------|-------------------|-----------------|-------|--|-----------------------------------|
| Qualification aim:               | First degree                    | Foundation degree | Higher National | Total |  | Total                             |
|                                  | <i>% of students</i>            |                   |                 |       |  | <i>% of students</i>              |
| <b>A. Year of study:</b>         |                                 |                   |                 |       |  |                                   |
| First year 'starter'             | 46                              | 64                | 56              | 52    |  | 56                                |
| Final year 'completer'           | 54                              | 36                | 44              | 48    |  | 44                                |
| Total                            | 100                             | 100               | 100             | 100   |  | 100                               |
| <b>B. Employment status (a):</b> |                                 |                   |                 |       |  |                                   |
| Full-time employee               | 80                              | 76                | 87              | 80    |  | 86                                |
| Part-time employee               | 20                              | 24                | 13              | 20    |  | 14                                |
| Total                            | 100                             | 100               | 100             | 100   |  | 100                               |
| <b>C. Age group:</b>             |                                 |                   |                 |       |  |                                   |
| Under 25                         | 16                              | 20                | 37              | 21    |  | 14                                |
| 25-34                            | 29                              | 25                | 25              | 27    |  | 29                                |
| 35-44                            | 33                              | 34                | 21              | 31    |  | 29                                |
| 45-plus                          | 19                              | 17                | 13              | 17    |  | 24                                |
| Age not known                    | 4                               | 5                 | 5               | 5     |  | 5                                 |
| Total                            | 100                             | 100               | 100             | 100   |  | 100                               |
| <b>D. Gender:</b>                |                                 |                   |                 |       |  |                                   |
| Female                           | 62                              | 74                | 38              | 60    |  | 61                                |
| Male                             | 38                              | 26                | 62              | 40    |  | 39                                |
| Total                            | 100                             | 100               | 100             | 100   |  | 100                               |
| <b>E. Ethnic background:</b>     |                                 |                   |                 |       |  |                                   |
| White                            | 86                              | 95                | 96              | 90    |  | 93                                |
| Non-white                        | 12                              | 4                 | 3               | 9     |  | 6                                 |
| Not known                        | 2                               | 1                 | 1               | 1     |  | 1                                 |
| Total                            | 100                             | 100               | 100             | 100   |  | 100                               |
| <b>F. Subject area:</b>          |                                 |                   |                 |       |  |                                   |
| Engineering & technology         | 14                              | 9                 | 58              | 21    |  | 21                                |
| Social sciences                  | 21                              | 12                | 10              | 17    |  | 18                                |
| Law                              | 15                              | 2                 | 1               | 9     |  | 5                                 |
| Business studies                 | 21                              | 19                | 21              | 20    |  | 18                                |
| Education                        | 28                              | 55                | 10              | 31    |  | 37                                |
| Multi-disciplinary               | 2                               | 2                 | 0               | 1     |  | 0                                 |
| Total                            | 100                             | 100               | 100             | 100   |  | 100                               |
| <i>N</i> =                       | 1886                            | 778               | 624             | 3288  |  | 294                               |

**Table 2.3 (continued): Employees in student sample and students matched to employers in employer survey, analysed by qualification aim and individual and institutional characteristics (unweighted)**

| Qualification aim:  | All student employees in sample |                   |                 |       | All students matched to employers |
|---|---------------------------------|-------------------|-----------------|-------|-----------------------------------|
|   | First degree                    | Foundation degree | Higher National | Total | Total                             |
|   | % of students                   |                   |                 |       | % of students                     |
| <b>G. Type of institution:</b>                              |                                 |                   |                 |       |                                   |
| Higher Education Institutions (HEIs) – excluding Open Univ. | 73                              | 64                | 50              | 66    | 70                                |
| Open University   | 19                              | 7                 | 2               | 13    | 9                                 |
| FE college linked to HEI                                    | 7                               | 29                | 36              | 18    | 19                                |
| FE college not linked to HEI                                | 0                               | 1                 | 8               | 2     | 0                                 |
| Type of institution not known                               | 0                               | 0                 | 4               | 1     | 1                                 |
| Total   | 100                             | 100               | 100             | 100   | 100                               |
| <b>H. Previous highest qualification:</b>                   |                                 |                   |                 |       |                                   |
| NVQ level 4 or higher                                       | 54                              | 25                | 29              | 42    | 46                                |
| NVQ level 3   | 30                              | 52                | 43              | 38    | 33                                |
| NVQ level 1-2 or none                                       | 16                              | 23                | 26              | 19    | 20                                |
| Not known   | 1                               | 0                 | 2               | 1     | 1                                 |
| Total   | 100                             | 100               | 100             | 100   | 100                               |
| <b>I. Household/individual income (b):</b>                  |                                 |                   |                 |       |                                   |
| Less than £25,000   | 27                              | 33                | 38              | 30    | 31                                |
| £25,000 - £59,999   | 49                              | 41                | 46              | 46    | 53                                |
| £60,000 or more   | 12                              | 9                 | 5               | 10    | 10                                |
| Not known   | 13                              | 17                | 12              | 13    | 5                                 |
| Total   | 100                             | 100               | 100             | 100   | 100                               |
| <i>n</i> =  | 1886                            | 778               | 624             | 3288  | 294                               |

Source: Student Survey

Notes:

(a) 'Other' here includes self-employed as well as non-employed.

(b) Refers to household income only if individual is married, living with a partner or in a civil partnership.

When we compare the 294 students who have been matched to employers with all 3288 student employees in the sample, there are some small but revealing differences between them. The students who felt able to pass on their employer details, and whose employers were willing to participate in our survey, are more likely to be in full-time employment than other students and also tend to be older and more likely to already hold NVQ4 or higher qualifications. We now go on to assess student responses specifically relating to their employers.

### 3. Part-time HE students and their employers

Among other things, student survey participants were asked about the main triggers for their decisions to enrol on part-time HE courses. A majority of students referred to their career ambitions as a spur to undertaking study for higher qualifications, because they realised that they needed higher qualifications to 'get ahead' and/or they recognised that their existing qualifications were inadequate to meet their needs (Table 3.1). In terms of receiving advice and support from others, about a third of them mentioned encouragement from their employers compared to 27% who mentioned encouragement from family and friends and 13% who referred to encouragement from university or college tutors. Thus employer encouragement is important in many cases but not in a majority of cases.

The importance of individual career ambitions also emerges from student responses to questions about the reasons for choosing their particular course of study. As many as 95% cited the need to develop new or existing skills as very or fairly important reasons for choosing their course while 77% said it was very or fairly important to choose a course that would help them get on in their present job or career (Table 3.2). At the same time 72% cited requirements to enter a particular profession or occupation as very or fairly important reasons for their choice of course while 50% referred to their courses as necessary in order to carry out their present job or to meet their employer's requirements. However, in contrast to this emphasis on career objectives, almost two thirds of student employees also cited 'interest in the subject' as a very important reason for their choice of course, suggesting that more motivation is needed than simply a desire to enhance their careers.

On all these dimensions, the students matched to employers showed evidence of more employer involvement and career focus than the broad mass of part-time students. 41% of the matched students said that encouragement from employers had stimulated them to engage in part-time study, compared to 34% of all student employees (Table 3.1). Similarly, 39% of matched students said that employer requirements were a very important reason for their choice of course, as compared to 30% of all students (Table 3.2). However, there were few differences between the two groups of students so far as employer awareness of their involvement in part-time study was concerned. Only 3% of all student employees said that their employers were unaware of their studies (Table 3.3). As will be discussed below, this presumably means that at least one manager at their place of work is aware of their studies; it does not mean that all managers in these firms or organisations are aware of part-time student employees.

**Table 3.1: Student employees in sample and students matched to employers, analysed by qualification aim and triggers to decision to study (unweighted)**

| Qualification aim:  | All student employees in sample |                   |                 |       | All students matched to employers |
|---|---------------------------------|-------------------|-----------------|-------|-----------------------------------|
|   | First degree                    | Foundation degree | Higher National | Total |                                   |
|   | % of students                   |                   |                 |       |                                   |
| <b>Triggers to decision to study:</b>   |                                 |                   |                 |       |                                   |
| Children growing up/getting older/leaving home  | 11                              | 17                | 10              | 12    | 14                                |
| Realising I needed a Higher Education qualification to get ahead                      | 57                              | 67                | 59              | 60    | 60                                |
| Realising that my existing qualifications were inadequate to meet my career ambitions | 56                              | 60                | 54              | 57    | 57                                |
| Realising I wanted to do something useful/different with my life                      | 45                              | 42                | 39              | 43    | 41                                |
| Encouragement from family/friends   | 26                              | 31                | 28              | 27    | 30                                |
| Encouragement from tutor at a university/college                                      | 12                              | 15                | 16              | 13    | 14                                |
| Encouragement from employer   | 28                              | 38                | 47              | 34    | 41                                |
| Thoughts about what to do in retirement   | 7                               | 8                 | 7               | 7     | 7                                 |
| Disillusioned/bored with current job  | 19                              | 14                | 16              | 17    | 18                                |
| Changed jobs  | 11                              | 12                | 14              | 12    | 13                                |
| Wanting to meet new people  | 11                              | 15                | 16              | 13    | 16                                |
| Divorced/separation from partner  | 3                               | 2                 | 2               | 2     | 2                                 |
| Job requirement   | 17                              | 25                | 34              | 22    | 26                                |
| Wanting to be a role model for my children/ help my children's education              | 21                              | 24                | 15              | 21    | 21                                |
| <i>n</i> =  | 1884                            | 778               | 624             | 3286  | 294                               |

Source: Student Survey

Note: Multiple responses permitted.

**Table 3.2: Student employees in sample and students matched to employers, analysed by qualification aim and reasons for choosing course (unweighted)**

| Qualification aim:   | All student employees in sample    |                   |                 |       | All students matched to employers  |
|--|------------------------------------|-------------------|-----------------|-------|------------------------------------|
|  | First degree                       | Foundation degree | Higher National | Total | Total                              |
|  | <i>% saying "very important"</i>   |                   |                 |       | <i>% saying "very important"</i>   |
| <b>Reasons for choosing course:</b>                        |                                    |                   |                 |       |                                    |
| To help me get on in my present job/career                 | 47                                 | 64                | 60              | 53    | 61                                 |
| To help me change jobs/careers                             | 43                                 | 36                | 31              | 39    | 34                                 |
| To get a job   | 23                                 | 21                | 25              | 23    | 22                                 |
| Interested in the subject                                  | 66                                 | 68                | 52              | 64    | 68                                 |
| To develop new/existing skills                             | 68                                 | 75                | 66              | 70    | 77                                 |
| Because it is necessary for my job/required by my employer | 25                                 | 32                | 46              | 30    | 39                                 |
| To enter a particular profession/occupation                | 49                                 | 51                | 49              | 49    | 47                                 |
|  | <i>"% saying fairly important"</i> |                   |                 |       | <i>% saying "fairly important"</i> |
| <b>Reasons for choosing course:</b>                        |                                    |                   |                 |       |                                    |
| To help me get on in my present job/career                 | 24                                 | 22                | 23              | 24    | 22                                 |
| To help me change jobs/careers                             | 23                                 | 22                | 26              | 23    | 22                                 |
| To get a job   | 16                                 | 14                | 18              | 16    | 16                                 |
| Interested in the subject                                  | 28                                 | 25                | 36              | 29    | 27                                 |
| To develop new/existing skills                             | 26                                 | 20                | 28              | 25    | 20                                 |
| Because it is necessary for my job/required by my employer | 18                                 | 23                | 22              | 20    | 21                                 |
| To enter a particular profession/occupation                | 23                                 | 22                | 25              | 23    | 27                                 |
| <i>n =</i>   | 1858                               | 772               | 621             | 3251  | 294                                |

Source: Student Survey

Note:

Students were asked 'Why did you choose your particular course of study? How important were the following reasons..... [Tick one box] Very important / fairly important / Not very important / Not at all important / not applicable'

**Table 3.3: Student employees in sample and students matched to employers, analysed by qualification aim and employer awareness that employee is a part-time HE student (unweighted)**

| Qualification aim:                           | All student employees in sample |                   |                 |       | All students matched to employers |
|--|---------------------------------|-------------------|-----------------|-------|-----------------------------------|
|  | First degree                    | Foundation degree | Higher National | Total | Total                             |
|  | <i>% of students</i>            |                   |                 |       | <i>% of students</i>              |
| <b>Employer aware of part-time HE study:</b> |                                 |                   |                 |       |                                   |
| Yes  | 94                              | 98                | 98              | 96    | 100                               |
| No   | 5                               | 1                 | 2               | 3     | 0                                 |
| Don't know                                   | 1                               | 0                 | 0               | 1     | 0                                 |
| Total  | 100                             | 100               | 100             | 100   | 100                               |
| <i>n =</i>                                   | 1886                            | 778               | 624             | 3288  | 294                               |

Source: Student Survey

In order to identify some of the relationships between different reasons for undertaking part-time study, we carried out a factor analysis which is reported in Table 3.4. Most of the triggers to study listed in Table 3.1 loaded on to one of four different factors which are readily interpretable as follows:

1. Job requirements / encouragement from employers and university tutors
2. Individual desire for change: 'Realising I wanted to do something useful/different with my life'; 'Disillusioned/bored with current job'; 'Changed jobs'; and 'Wanting to meet new people'.
3. Family-based motives: 'Children growing up/getting older/leaving home'; 'Wanting to be a role model for my children/ help my children's education'
4. Career ambitions: 'Realising I needed a Higher Education qualification to get ahead'; 'Realising that my existing qualifications were inadequate to meet my career ambitions'

As shown in Table 3.4, only a handful of potential triggers to study were linked to more than one of these factors and, where they did overlap, they did so in a plausible manner. They included more general ambitions and influences such as: 'realising I wanted to do something useful/different with my life'; 'wanting to meet new people'; and 'encouragement from family and friends'.

When average values for these factor scores are compared across qualification groups, Higher National students score more highly on the 'Job requirements / employer encouragement' factor than either First degree students or Foundation degree students – but the gap is greatest between Higher National and First degree students (Table 3.5, Column 1). By contrast, First degree students score more highly on the 'Individual desire for change' factor than do either

Foundation degree or Higher National students (Column 2). These differences between qualification groups apply to students matched with employers in much the same way as they do to the whole sample of students. However, on the other two factor scores -- 'Family-based motives' and 'Career ambitions' -- there are some differences between the matched students and other students (Columns 3-4). The average score for the 'Family-based motives' factor is highest for First degree students across the whole sample and for Foundation degree students among matched students (Column 3) while the 'Career ambitions' score is highest for Foundation degree students across the whole sample and for Higher National students among matched students (Column 4).

**Table 3.4: Student employees in sample: Triggers to decision to study -- variable loadings on standardised factor scores, all values > 0.35 (unweighted)**

|  | <b>Job requirements / encouragement from employer or university tutor</b> | <b>Individual desire for change</b> | <b>Family-based motives</b> | <b>Career ambitions</b> |
|--|---|-------------------------------------|-----------------------------|-------------------------|
| Children growing up/getting older/leaving home                           |   |                                     | 0.74                        |                         |
| Realising I needed a Higher Education qualification to get ahead         |   |                                     |                             | 0.73                    |
| Realising that my existing qualifications were inadequate to meet        |   |                                     |                             | 0.76                    |
| Realising I wanted to do something useful/different with my life         |   | 0.59                                | 0.40                        |                         |
| Encouragement from family/friends  | 0.44  |                                     | 0.44                        |                         |
| Encouragement from tutor at a university/college                         | 0.55  |                                     |                             |                         |
| Encouragement from employer  | 0.72  |                                     |                             |                         |
| Disillusioned/bored with current job                                     |   | 0.72                                |                             |                         |
| Changed jobs   |   | 0.61                                |                             |                         |
| Wanting to meet new people   | 0.38  | 0.46                                |                             |                         |
| Job requirement  | 0.69  |                                     |                             |                         |
| Wanting to be a role model for my children/ help my children's education |   |                                     | 0.65                        |                         |

Source: Student Survey (n = 3288)

Notes:

Estimated by principal-components factor method which extracted four factors with eigenvalues in excess of one.

These factors explained 52% of the variation in the 12 variables listed.

Kaiser-Meyer-Olkin measure of sampling adequacy = 0.789.



**Table 3.5: Student employees in sample and students matched to employers: standardised factor scores summarising triggers to the decision to study**

|   | <b>Job requirements / encouragement from employer or university tutor</b> | <b>Individual desire for change</b> | <b>Family-based motives</b> | <b>Career ambitions</b> |
|---|---|-------------------------------------|-----------------------------|-------------------------|
| <i>Average values of factor scores</i>  |   |                                     |                             |                         |
| <b>A: Student employees in sample</b>   |   |                                     |                             |                         |
| First degree                            | -0.15   | 0.05                                | 0.05                        | 0.01                    |
| Foundation degree                       | 0.10  | -0.09                               | -0.09                       | 0.13                    |
| HND/HNC                                 | 0.34  | -0.03                               | -0.03                       | -0.19                   |
| Total                                   | 0.00  | 0.00                                | 0.00                        | 0.00                    |
| <i>n =</i>                              | 3288  | 3288                                | 3288                        | 3288                    |
| <b>B: Students matched to employers</b> |   |                                     |                             |                         |
| First degree                            | 0.02  | 0.12                                | 0.07                        | -0.03                   |
| Foundation degree                       | 0.21  | -0.09                               | 0.17                        | 0.05                    |
| HND/HNC                                 | 0.36  | -0.20                               | -0.39                       | 0.11                    |
| Total                                   | 0.14  | 0.00                                | 0.00                        | 0.02                    |
| <i>n =</i>                              | 294   | 294                                 | 294                         | 294                     |

**Note:**

The values shown derive from standardised factor scores with mean zero and standard deviation of one across the full sample of student employees (see notes to Table 3.4 for details of derivation).

There are also marked differences between the matched students and the student employees as a whole so far as employer support with fees and other costs of part-time study is concerned, although the overall level of employer support is still substantial. Table 3.6, Part C shows that about a third of all student employees reported that their employers paid for all their course fees as well as providing other kinds of support such as paid time off to study or payment of other course expenses. Another 15% of students reported receiving partial fee support plus additional support or fee support with no other kinds of support. Only three out of ten student employees said that they did not receive any kind of support from their employers. For students matched to employers, about a quarter did not receive any support at all while some 44% said they received full support with fees plus other forms of support.

In order to explore the key influences on whether students receive employer support with course fees, we carried out a multivariate regression analysis which is reported in Table 3.7. After taking account of various factors such as age, gender, subject of study, whether employed full-time, ethnic minority status, type of higher education institution, previous qualifications and household income, the estimated probability of part-time First degree students having all their course fees paid by their employers is 16 percentage points (pp) lower than it is for the qualifications

reference group which is part-time Higher National Students (Column 1). The equivalent gap between Foundation degree students and Higher National students is 8 pp.

Looking at Columns 1-2, which apply to all student employees in the sample, employer fee support is found to be significantly and positively related to students' rankings on the 'Job requirements / employer encouragement' factor described above. Conversely, high rankings on the 'Individual desire for change' or 'Family-based motives' factors are associated with a lower probability of receiving employer support with fees.

These results are not surprising but they do confirm that student motivations matter to employers who are less likely to provide fee support for part-time study which is driven more by individuals' personal objectives than by work-related skill needs. The results in Table 3.7, Columns 3-4, show that this conclusion also broadly applies to the subset of students matched to their employers in that the signs of coefficients are broadly the same although, due to the smaller sample size, they are usually not well enough defined to be statistically significant. In Section 4 below we explore the effects of incorporating further data on employer characteristics (derived from the employer survey) into this analysis.

Other inferences of interest in Table 3.7 are as follows: the probability of receiving employer support with fees, either in full or in part, is higher for full-time employees than for part-time employees; for students aged 35-44 compared to younger students; for engineering and technology students compared to those taking other subjects; for students enrolled in higher education institutions compared to those attending FE colleges; and for students in households with annual incomes in excess of £25,000. All else being equal, ethnic minority students are substantially less likely than white students to receive fee support. In terms of gender, the probability of female students receiving full fee support from employers is 5 pp greater than for male employees; however, there are no significant gender differences on the wider measure of full or partial fee support. With the caveat noted above about sample size and statistical significance, all these findings broadly apply to the subset of matched students as well as to the wider sample of students.

**Table 3.6: Student employees in sample and students matched to employers, analysed by qualification aim and level of employer support for student engaged in part-time HE study (unweighted)**

|  | All student employees in sample |                   |                 |       | All students matched to employers |
|--|---------------------------------|-------------------|-----------------|-------|-----------------------------------|
| Qualification aim:                             | First degree                    | Foundation degree | Higher National | Total | Total                             |
|  | <i>% of students</i>            |                   |                 |       | <i>% of students</i>              |
| <b>A. Employer support with course fees:</b>   |                                 |                   |                 |       |                                   |
| Full employer fee support                      | 33                              | 37                | 64              | 40    | 50                                |
| Partial employer fee support                   | 9                               | 8                 | 4               | 8     | 9                                 |
| No fees payable                                | 1                               | 2                 | 1               | 1     | 1                                 |
| No employer fee support                        | 56                              | 51                | 29              | 50    | 39                                |
| No information on payment of fees              | 1                               | 2                 | 2               | 2     | 1                                 |
| Total  | 100                             | 100               | 100             | 100   | 100                               |
| <b>B. Other forms of employer support (a):</b> |                                 |                   |                 |       |                                   |
| Paid time off work to study                    | 36                              | 44                | 52              | 41    | 55                                |
| Unpaid time off work to study                  | 9                               | 9                 | 8               | 9     | 11                                |
| Money towards course-related expenses          | 11                              | 11                | 21              | 13    | 19                                |
| No additional forms of support                 | 44                              | 35                | 20              | 37    | 33                                |
| <b>C. Employer support (summary):</b>          |                                 |                   |                 |       |                                   |
| Full fee support plus other support            | 26                              | 29                | 57              | 32    | 44                                |
| Partial fee support plus other support         | 6                               | 5                 | 3               | 5     | 6                                 |
| Fee support, no other support                  | 10                              | 11                | 8               | 10    | 9                                 |
| Some support, but no fee support               | 19                              | 26                | 13              | 19    | 16                                |
| No employer support                            | 37                              | 27                | 17              | 31    | 24                                |
| No information about employer support          | 3                               | 2                 | 2               | 2     | 1                                 |
| Total  | 100                             | 100               | 100             | 100   | 100                               |
| <i>n =</i>                                     | 1886                            | 778               | 624             | 3288  | 294                               |

Source: Student Survey

Note: (a) Multiple responses permitted in Part B of table.

**Table 3.7: Probit regression estimates of the probability of receiving fee support from employers for part-time study, all student employees in sample and students matched to employers (unweighted) – Marginal effects (evaluated at sample means)**

|   | (1)                             | (2)                             | (3)                               | (4)                               |
|---|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
|   | All student employees in sample | All student employees in sample | All students matched to employers | All students matched to employers |
| Dependent variable:                       | Fees paid in full               | Fees paid in full or in part    | Fees paid in full                 | Fees paid in full or in part      |
| First degree                              | -0.1561***<br>[0.015]           | -0.1249***<br>[0.036]           | -0.059<br>[0.154]                 | -0.1285<br>[0.115]                |
| Foundation degree                         | -0.0786***<br>[0.026]           | -0.0728***<br>[0.024]           | -0.2626*<br>[0.140]               | -0.2395*<br>[0.137]               |
| Job requirements / employer encouragement | 0.1046***<br>[0.022]            | 0.0934***<br>[0.025]            | 0.0222<br>[0.022]                 | 0.0007<br>[0.009]                 |
| Individual desire for change              | -0.0918***<br>[0.010]           | -0.0925***<br>[0.015]           | -0.1287***<br>[0.031]             | -0.1173***<br>[0.037]             |
| Family-based motives                      | -0.0329***<br>[0.009]           | -0.0290***<br>[0.010]           | -0.038<br>[0.058]                 | -0.0153<br>[0.037]                |
| Career ambitions                          | 0.0156<br>[0.014]               | 0.0101<br>[0.014]               | -0.0078<br>[0.040]                | 0.0122<br>[0.030]                 |
| Full-time employee                        | 0.1904***<br>[0.049]            | 0.2000***<br>[0.067]            | 0.2806***<br>[0.070]              | 0.2856***<br>[0.045]              |
| Female                                    | 0.0484**<br>[0.021]             | 0.0287<br>[0.033]               | 0.096<br>[0.078]                  | 0.0182<br>[0.078]                 |
| Ethnic minority                           | -0.1479***<br>[0.041]           | -0.1966***<br>[0.024]           | -0.3773***<br>[0.122]             | -0.3609***<br>[0.126]             |
| First-year student                        | 0.05<br>[0.093]                 | 0.0684<br>[0.070]               | 0.0814<br>[0.083]                 | 0.0975<br>[0.063]                 |
| Age under 25                              | -0.0044<br>[0.109]              | -0.0602<br>[0.091]              | -0.2189**<br>[0.104]              | -0.3368***<br>[0.130]             |
| Age 25-34                                 | -0.0721**<br>[0.034]            | -0.0856***<br>[0.029]           | -0.0479<br>[0.079]                | -0.0445<br>[0.057]                |
| Age 45-plus                               | 0.0325<br>[0.033]               | 0.0007<br>[0.035]               | 0.0117<br>[0.050]                 | 0.1050***<br>[0.010]              |
| Engineering and technology                | 0.1898***<br>[0.014]            | 0.1831***<br>[0.017]            | 0.4105***<br>[0.044]              | 0.3326***<br>[0.059]              |
| Social sciences                           | -0.0823***<br>[0.013]           | -0.1024***<br>[0.016]           | -0.1179***<br>[0.029]             | -0.1274***<br>[0.046]             |
| Law                                       | -0.2975***<br>[0.012]           | -0.3040***<br>[0.020]           | -0.3933***<br>[0.050]             | -0.3966***<br>[0.048]             |
| Education                                 | -0.2718***<br>[0.011]           | -0.2461***<br>[0.010]           | -0.3931***<br>[0.011]             | -0.2909***<br>[0.020]             |
| Multi-disciplinary                        | -0.1188***<br>[0.012]           | -0.0533***<br>[0.010]           |                                   |                                   |

**Table 3.7 (continued): Probit regression estimates of the probability of receiving fee support from employers for part-time study, all student employees in sample and students matched to employers (unweighted) – Marginal effects (evaluated at sample means)**

|  | (1)                             | (2)                             | (3)                               | (4)                               |
|--|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
|  | All student employees in sample | All student employees in sample | All students matched to employers | All students matched to employers |
| Dependent variable:                                  | Fees paid in full               | Fees paid in full or in part    | Fees paid in full                 | Fees paid in full or in part      |
| Higher education institution (excl. Open University) | 0.2646***<br>[0.043]            | 0.2847***<br>[0.045]            | 0.3310**<br>[0.135]               | 0.1932*<br>[0.108]                |
| Open University                                      | 0.2004***<br>[0.065]            | 0.2178***<br>[0.058]            | 0.2502<br>[0.155]                 | 0.1476**<br>[0.073]               |
| Previous qualifications at NVQ Level 4 or above      | 0.0406<br>[0.038]               | 0.0413<br>[0.034]               | -0.2094***<br>[0.054]             | -0.1358**<br>[0.057]              |
| Previous qualifications at NVQ Level 3               | -0.0259<br>[0.029]              | -0.0267<br>[0.022]              | -0.0802<br>[0.096]                | 0.0289<br>[0.048]                 |
| Household income £25-59K                             | 0.1408***<br>[0.039]            | 0.1776***<br>[0.030]            | 0.0595<br>[0.047]                 | 0.1490**<br>[0.060]               |
| Household income £60K-plus                           | 0.1876***<br>[0.069]            | 0.2159***<br>[0.052]            | 0.0646<br>[0.107]                 | 0.1144<br>[0.096]                 |
| Observations   | 3165                            | 3165                            | 284                               | 284                               |
| Pseudo R sqd   | 0.241                           | 0.217                           | 0.349                             | 0.307                             |

Source: Student Survey

Notes: \* significant at 10%; \*\* significant at 5%; \*\*\* significant at 1%

Probit estimates. Robust standard errors in parentheses are corrected for clustering of observations at the level of subject of study. The dependent variables = 1 if the employer has provided the stated level of support with tuition fees and = 0 if no such support has been received. Marginal effects are evaluated at the mean values of other independent variables.

The variables labelled Job requirements / employer encouragement, Individual desire for change, Family-based motives and Career ambitions are standardised factor scores as described in Tables 3.4-3.5.

The reference categories for dummy variables are as follows: Higher National qualifications; part-time employees; male; white; final-year students; age 35-44; business studies; further education colleges; previous qualifications at NVQ level 2 or below; and household income under £25K.

Assessment of the outcomes of part-time study reported by final-year students suggests that matched students were more likely than other student employees to have received promotions and pay rises and to be enjoying greater job satisfaction and improved relationships with fellow-employees (Table 3.8). However, this is partly offset by other findings. Some 27% of final-year students matched to employers said that they would 'definitely' have to move elsewhere to make good use of the skills and knowledge gained on their course, compared to only 19% of all final-year students who thought they would need to change jobs for this reason (Table 3.9). And other

outcomes of part-time study such as taking on more responsibilities in their current jobs were much the same in both groups of final-year students.

Thus, we need to remember in our analysis of employer survey data in Section 4 that the employer survey participants are above average in terms of providing support with fees for part-time study. Our analysis suggests that this may be partly due to matched students being more likely to work full-time and more likely to be motivated by job requirements in their decisions to study part-time. But in terms of positive outcomes from part-time study, there is less evidence of differences between students matched to employers and the broad mass of student employees.

**Table 3.8: Student employees in sample and students matched to employers, analysed by qualification aim and changes resulting from taking part-time HE course, final year students only (unweighted)**

| Qualification aim:  | All student employees in sample |                   |                 |             | All students matched to employers |
|---|---------------------------------|-------------------|-----------------|-------------|-----------------------------------|
|   | First degree                    | Foundation degree | Higher National | Total       | Total                             |
|   | <i>% of students</i>            |                   |                 |             | <i>% of students</i>              |
| <b>Changes resulting from taking part-time HE course:</b> |                                 |                   |                 |             |                                   |
| Found new job   | 14                              | 13                | 14              | 14          | 13                                |
| Received promotion  | 19                              | 24                | 29              | 22          | 27                                |
| Derive more satisfaction from work                        | 47                              | 64                | 49              | 50          | 59                                |
| Changed type of work                                      | 21                              | 23                | 21              | 21          | 19                                |
| Improved ability to do job                                | 66                              | 78                | 70              | 69          | 77                                |
| Have received pay rise                                    | 22                              | 30                | 44              | 27          | 30                                |
| Improved relationships with people at work                | 30                              | 43                | 30              | 33          | 46                                |
| None of above changes                                     | 19                              | 8                 | 14              | 16          | 10                                |
| <i>n =</i>  | <i>1014</i>                     | <i>279</i>        | <i>272</i>      | <i>1565</i> | <i>128</i>                        |

Source: Student Survey

Note: Multiple responses permitted.

**Table 3.9: Student employees in sample and students matched to employers, analysed by qualification aim and level of agreement with statements about results of taking part-time HE course, final year students only (unweighted)**

|   | All student employees in sample |                   |                 |       | All students matched to employers |
|---|---------------------------------|-------------------|-----------------|-------|-----------------------------------|
| Qualification aim:  | First degree                    | Foundation degree | Higher National | Total | Total                             |
|   | % of students                   |                   |                 |       | % of students                     |
| <b>Level of agreement with statement:</b>   |                                 |                   |                 |       |                                   |
| "I expect to make good use of the skills and knowledge I have learned on my course in my current job"     |                                 |                   |                 |       |                                   |
| Definitely agree  | 48                              | 62                | 44              | 50    | 52                                |
| Mostly agree  | 31                              | 27                | 36              | 31    | 35                                |
| "To make good use of the skills and knowledge I have learned on my course, I will have to move elsewhere" |                                 |                   |                 |       |                                   |
| Definitely agree  | 23                              | 11                | 12              | 19    | 27                                |
| Mostly agree  | 15                              | 8                 | 12              | 13    | 17                                |
| "My employer's attitude towards me is more positive because I have been taking a part-time course"        |                                 |                   |                 |       |                                   |
| Definitely agree  | 21                              | 30                | 28              | 24    | 23                                |
| Mostly agree  | 28                              | 27                | 35              | 29    | 24                                |
| "My course has helped me take on more responsibilities in my current job"                                 |                                 |                   |                 |       |                                   |
| Definitely agree  | 27                              | 37                | 32              | 30    | 30                                |
| Mostly agree  | 24                              | 21                | 29              | 24    | 28                                |
|   |                                 |                   |                 |       |                                   |
| <i>n</i> =  | 1014                            | 279               | 272             | 1565  | 71                                |

Source: Student Survey



## 4. Employer perspectives and motivations

### The employer sample in wider perspective

The 294 employers who agreed to participate in our survey were spread across a wide range of establishment size groups (Table 4.1). They also cover a mix of manufacturing and service sectors but are nonetheless heavily concentrated in education (one third of the sample) and other public services such as public administration and health (which together account for another third of survey participants).

In order to check how far this high share of public sector employers in our sample was consistent with data on the wider population of part-time students, we carried out additional analysis of Labour Force Survey (LFS) data. This analysis suggests that, if we confine attention to the three qualification aims on which this study is focussed (First degrees, Foundation degrees and Higher National qualifications), then part-time HE students represent 1.0-1.3% of total employment in public service sectors compared to only 0.7% of employment in the economy as a whole (Table 4.2, Column 3).<sup>6</sup> Taken together, public administration, education, health and social work account for about half of all part-time First degree, Foundation degree and Higher National students in employment (Table 4.3, Column 3) – a large proportion but not as high as the two thirds of public sector employers in our sample. In the analysis that follows we take due account of this sample characteristic.

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<sup>6</sup> See Table 4.2, Note (a) for the definition of part-time HE students in this LFS analysis. Since this definition is partly based on the self-classification of individuals, it does not correspond exactly with the definition of part-time students used by HESA and, even allowing for the proportion of part-time students who are not in employment, it produces a marked undercount of part-time students compared to the total number recorded by HESA. Nonetheless, the LFS provides the best available source of information on the sectoral distribution of part-time HE students in employment.

| <b>Table 4.1: Employer sample, analysed by sector and employment size-group</b> |                       |
|---|-----------------------|
|   | <b>% of employers</b> |
| <b>A. Employment size-group:</b>  |                       |
| 1-9   | 10                    |
| 10-24   | 16                    |
| 25 – 49   | 14                    |
| 50 – 99   | 11                    |
| 100 – 199   | 9                     |
| 200 – 499   | 12                    |
| 500-999   | 8                     |
| 1000+   | 19                    |
| Don't know  | 1                     |
| Total   | 100                   |
| <b>B. Sector:</b>   |                       |
| Manufacturing, utilities, construction  | 14                    |
| Professional, scientific and technical services                                 | 7                     |
| Public administration   | 16                    |
| Education   | 33                    |
| Health  | 5                     |
| Social work   | 14                    |
| Other services  | 9                     |
| Sector not known  | 2                     |
| Total   | 100                   |
| <i>n</i> =  | 294                   |

Source: Employer Survey

**Table 4.2: Part-time HE students in employment (a) as a percentage of all persons in employment, UK, 2008, analysed by sector (population-weighted)**

|                                       | <b>Part-time HE students - Total</b>               | <b>Part-time HE students – All Undergraduates</b> | <b>Part-time HE students – All aiming for First degree, Foundation degree or Higher National qualifications</b> |
|---------------------------------------|--|---|---|
|                                       | <i>Part-time students as % of total employment</i> |   |   |
| Manufacturing                         | 0.7  | 0.5   | 0.4   |
| Construction                          | 1.0  | 0.8   | 0.7   |
| Other production industries (b)       | 0.7  | 0.5   | 0.2   |
| Wholesale and retail                  | 0.5  | 0.4   | 0.3   |
| Hotels and restaurants                | 0.7  | 0.6   | 0.5   |
| Transport, storage and communications | 0.7  | 0.5   | 0.4   |
| Financial services                    | 0.9  | 0.7   | 0.4   |
| Business services                     | 1.3  | 0.9   | 0.8   |
| Other private services (c)            | 1.0  | 0.6   | 0.4   |
| Public administration                 | 2.3  | 1.5   | 1.1   |
| Education                             | 3.0  | 1.6   | 1.0   |
| Health and social work                | 2.9  | 1.9   | 1.3   |
|                                       |  |   |   |
| Total                                 | 1.4  | 0.9   | 0.7   |

Source: Labour Force Survey 2008 (Four-quarter average)

Notes:

(a) Refers to all persons who are in employment, who classify themselves as studying part-time in universities or colleges or the Open University, and who are recorded as studying towards one of the following higher education qualifications: Higher degrees including PGCE; First degrees; Foundation degrees; Other degrees, e.g., graduate member of a professional institute or chartered accountant; Diploma in Higher Education; Higher National Certificates or Diplomas; Teaching qualifications (excluding PGCE); Nursing or other medical qualifications not classified elsewhere; and Other higher education qualifications below degree level.

(b) Agriculture, hunting, forestry, fishing, mining, quarrying, electricity, gas and water.

(c) Community, social and personal services, plus private households with employed persons.

**Table 4.3: Sectoral distribution of part-time HE students in employment (a), UK, 2008 (population-weighted)**

|   | <b>Part-time HE students – Total</b>      | <b>Part-time HE students – All Undergraduates</b> | <b>Part-time HE students – All aiming for First degree, Foundation degree or Higher National qualifications</b> |
|---|---|---|---|
|   | <i>% of part-time students (weighted)</i> |   |   |
| Manufacturing                           | 6   | 7   | 7   |
| Construction                            | 6   | 7   | 9   |
| Other production industries (b)         | 1   | 1   | 1   |
| Wholesale and retail                    | 6   | 7   | 7   |
| Hotels and restaurants                  | 2   | 3   | 3   |
| Transport, storage and communications   | 3   | 4   | 4   |
| Financial services                      | 3   | 3   | 3   |
| Business services                       | 12  | 12  | 14  |
| Other private services (c)              | 4   | 4   | 4   |
| Public administration                   | 12  | 11  | 12  |
| Education                               | 19  | 16  | 13  |
| Health and social work                  | 26  | 25  | 25  |
|   |   |   |   |
| Total                                   | 100                                       | 100   | 100   |
|   |   |   |   |
| <i>Grossed-up population estimate =</i> | <i>402,530</i>                            | <i>269,183</i>                                    | <i>192,204</i>  |
| <i>Unweighted n =</i>                   | <i>2907</i>                               | <i>1914</i>                                       | <i>1355</i>   |

Source: Labour Force Survey 2008 (Four-quarter average)

Notes: See Table 4.2

Just under two thirds of survey respondents were aware of at least one employee undertaking part-time HE studies to the level aimed for by the student who provided us with employer information. Another 20% of employers were aware of at least one employee undertaking part-time HE studies but could not specify any of the qualification aims involved (Table 4.4). That leaves 15% who were not aware of any employees studying part-time in spite of their contact details being given to us by student survey participants. This might be due to the survey respondents in these cases – general managers in small establishments, human resource or personnel managers in medium-sized and large establishments – not working closely with the individual students concerned.

**Table 4.4: Employer sample, analysed by qualification aim of students matched to employers and employer awareness of employees studying part-time in HE**

|  | Qualification aim of student survey participants |                   |                 |       |
|--|--|-------------------|-----------------|-------|
|  | First degree                                     | Foundation degree | Higher National | Total |
|  | <i>% of employers</i>                            |                   |                 |       |
| First degree student, Employer aware of employees studying part-time for First degrees                     | 64   | 0                 | 0               | 34    |
| Foundation degree student, Employer aware of employees studying part-time for Foundation degrees           | 0  | 62                | 0               | 16    |
| Higher National student, Employer aware of employees studying part-time for Higher National qualifications | 0  | 0                 | 69              | 15    |
| Employer aware of employees studying part-time for HE qualifications, not sure of which type               | 20   | 19                | 23              | 20    |
| Employers unaware of employees studying part-time for HE qualifications                                    | 16   | 18                | 8               | 15    |
| Total  | 100  | 100               | 100             | 100   |
| <i>n =</i>   | 155  | 77                | 62              | 294   |

Source: Employer Survey

About half of the employers who were aware of part-time students among their employees reported that those students were studying for two or more different types of qualification. In total 55% of employers reported at least one First degree student, 38% reported at least one Foundation degree student, 37% at least one Higher National student and 21% reported at least one employee studying part-time in HE but could not specify their qualification aim (Table 4.5).

**Table 4.5: Employers' sample, analysed by qualification aims of employees known to be studying part-time in HE**

|   | Frequency | % of employers   |
|---|-----------|------------------|
| At least one First degree student       | 163       | 55               |
| At least one Foundation degree student  | 112       | 38               |
| At least one Higher National student    | 109       | 37               |
| At least one HE (not specified) student | 62        | 21               |
| Not aware of any PT HE students         | 44        | 15               |
|   |           | <i>(n = 294)</i> |

Source: Employer Survey

In the survey we attempted to collect data on the actual numbers of students in each establishment who were aiming for each type of qualification. However, in about half of establishments, the survey respondents were not able to provide estimates of student numbers.<sup>7</sup> Therefore, in the analysis that follows, we rely on employers' assessments about how the majority of part-time students in each workplace were treated.

## Employer support for part-time study

Survey respondents were asked about the extent and nature of their support for part-time study towards all qualification aims of which they were aware. Looking at the three main qualification groups, the proportion of employers who paid full fees for a majority of their student employees ranged from 40% of those employing First degree students to 47% of those with employees studying for Higher National qualifications (Table 4.6). The proportion of employers providing partial fee support for a majority of student employees ranged from 15% in the case of Higher National students up to 28% for First degree students. A third category of employers who reported offering some degree of fee support but were unable to quantify its extent represented 17-34% of establishments in each qualification group. These estimates refer solely to employers who were aware of employing at least one part-time student. Taking the sample as a whole, only 22% of the 294 establishments did not provide any fee support at all, and the majority of these were cases where survey respondents were unaware that any of their employees were studying towards HE qualifications.

| <b>Table 4.6: Employers who were aware of employing part-time HE students, analysed by student qualification aim and extent of fee support</b> |                       |                          |                        |                          |
|--|-----------------------|--------------------------|------------------------|--------------------------|
| <b>Qualification aim:</b>  | <b>First degree</b>   | <b>Foundation degree</b> | <b>Higher National</b> | <b>HE, not specified</b> |
|  | <i>% of employers</i> |                          |                        |                          |
| Pay full fees for majority of students   | 40                    | 41                       | 47                     | 34                       |
| Pay part fees for majority of students   | 28                    | 24                       | 15                     | 11                       |
| Some fee support, extent unknown   | 23                    | 17                       | 26                     | 34                       |
| Aware of part-time students, no support  | 8                     | 18                       | 13                     | 21                       |
| Total  | 100                   | 100                      | 100                    | 100                      |
| n =  | 163                   | 112                      | 109                    | 62                       |

Source: Employer Survey

Note: This table excludes 44 employers who were not aware of employing any part-time students.

The relatively high proportion of employers contributing to course fees raises the question of whether this reflects the large share of public sector establishments in the sample. In order to assess the role of sector and other factors influencing employer support for part-time study, we first extend the student-based multivariate analysis reported in Section 3 to include various

<sup>7</sup> This lack of precise information on student numbers in many establishments may reflect the problems discussed in Howat (2008), namely, that training decisions are often devolved to local line managers and that it may not be regarded as worthwhile to devote resources to collating training data across departments, especially in larger establishments.

characteristics of their employers. Thus, the results take account of factors such as establishment size, foreign ownership and whether establishments are part of single- or multiple-establishment organisations at the same time as taking account of student characteristics such as their qualification aim and subject of study. Subsequently, we go on to examine the main influences on employer support from a different perspective, taking employers themselves as the unit of analysis.

Looking first at the extended student-based analysis, the probability of students having all their fees paid by their employers is estimated to be 58 pp higher in manufacturing / utilities / construction than it is in the reference category (other private services) compared with 52 pp higher in education, 46 pp higher in social work and 43 pp higher in public administration (Table 4.7, Column 3).<sup>8</sup> These differences between manufacturing / utilities / construction and the three public service sectors are all significantly significant at the 5% level. By contrast, there are no statistically significant differences between private sector professional / scientific / technical services and the three public service sectors. When we consider a different measure of employer support (including partial payment of fees as well as full payment), then the coefficients on manufacturing / utilities / construction, professional / scientific / technical services, education, social work and public administration move closer together and there are no longer any statistically significant differences between the main private and public sectors in the probability of providing support with fees. We conclude that the relatively high proportion of employers contributing to course fees is not being driven by the large share of public sector establishments in the sample. Rather, the main positive influences seem to be employer-specific in nature, such as foreign ownership and skill-intensity (proxied by the graduate share of employment).<sup>9</sup>

One significantly negative factor so far as full payment of fees is concerned is the strength of employers' links with universities for purposes of recruitment and sandwich placements. This suggests that, for at least some employers, support of existing employees to study part-time in HE may be a substitute for active involvement in recruitment of new graduates and provision of sandwich placements for full-time university students; conversely, other employers may favour external recruitment and sandwich training over support for part-time study.

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<sup>8</sup> For ease of comparison, Table 4.7, Columns 1-2 repeat the results shown in Table 3.7, Columns 3-4.

<sup>9</sup> Put another way, in the economy as a whole, the LFS-based analysis shows that the percentage of employees studying part-time in HE is larger in public sector establishments than in private sector establishments. However, when employees in private sector establishments do engage in such study, their chances of receiving employer support with fees seem to be similar to those of part-time students in public sector workplaces.

| <b>Table 4.7: Probit regression estimates of the probability of receiving fee support from employers for part-time study, all students matched to employers (unweighted) – Marginal effects (evaluated at sample means)</b> |   |   |
|---|---|---|
|   | <b>(3)</b>                                  | <b>(4)</b>                                  |
|   | <b>All students matched to employers</b>    | <b>All students matched to employers</b>    |
|   | <b>Student and employer characteristics</b> | <b>Student and employer characteristics</b> |
| <b>Dependent variable:</b>  | <b>Fees paid in full</b>                    | <b>Fees paid in full or in part</b>         |
| <b>Student characteristics</b>  |   |   |
| First degree  | -0.0525<br>[0.140]                          | -0.1707<br>[0.130]                          |
| Foundation degree   | -0.3074**<br>[0.126]                        | -0.3127**<br>[0.146]                        |
| Job requirements / employer encouragement   | 0.0206<br>[0.048]                           | -0.009<br>[0.026]                           |
| Individual desire for change  | -0.1668***<br>[0.049]                       | -0.1428***<br>[0.045]                       |
| Family-based motives  | -0.0302<br>[0.049]                          | 0.0027<br>[0.034]                           |
| Career ambitions  | -0.0014<br>[0.037]                          | 0.0004<br>[0.045]                           |
| Full-time employee  | 0.2476***<br>[0.090]                        | 0.2845***<br>[0.091]                        |
| Female  | 0.1529<br>[0.117]                           | 0.0899<br>[0.095]                           |
| Ethnic minority   | -0.3389***<br>[0.128]                       | -0.2626**<br>[0.131]                        |
| First-year student  | 0.1205<br>[0.086]                           | 0.1374*<br>[0.078]                          |
| Age under 25  | -0.0215<br>[0.144]                          | -0.1893<br>[0.147]                          |
| Age 25-34   | 0.0365<br>[0.091]                           | -0.0045<br>[0.056]                          |
| Age 45-plus   | 0.0593<br>[0.120]                           | 0.1164<br>[0.077]                           |
| Engineering and technology  | 0.2057<br>[0.150]                           | 0.2295**<br>[0.117]                         |
| Social sciences   | -0.3364***<br>[0.069]                       | -0.3415***<br>[0.095]                       |
| Law   | -0.3808***<br>[0.096]                       | -0.5086***<br>[0.096]                       |
| Education   | -0.5844***<br>[0.068]                       | -0.4432***<br>[0.058]                       |
| Higher education institution (excl. Open University)  | 0.2832**<br>[0.126]                         | 0.2036*<br>[0.112]                          |
| Open University   | 0.1726<br>[0.183]                           | 0.1437<br>[0.118]                           |



| <b>Table 4.7 (continued): Probit regression estimates of the probability of receiving fee support from employers for part-time study, all students matched to employers (unweighted) – Marginal effects (evaluated at sample means)</b> |   |   |
|---|---|---|
|   | <b>(3)</b>                                  | <b>(4)</b>                                  |
|   | <b>All students matched to employers</b>    | <b>All students matched to employers</b>    |
|   | <b>Student and employer characteristics</b> | <b>Student and employer characteristics</b> |
| <b>Dependent variable:</b>  | <b>Fees paid in full</b>                    | <b>Fees paid in full or in part</b>         |
| Previous qualifications at NVQ Level 4 or above   | -0.2267**<br>[0.101]                        | -0.0842<br>[0.064]                          |
| Previous qualifications at NVQ Level 3  | -0.1036<br>[0.127]                          | 0.0993<br>[0.094]                           |
| Household income £25-59K  | 0.0983<br>[0.085]                           | 0.2330***<br>[0.075]                        |
| Household income £60K-plus  | 0.0352<br>[0.177]                           | 0.1554<br>[0.167]                           |
| <b>Employer characteristics</b>   |   |   |
| Size 10_24  | 0.0486<br>[0.203]                           | -0.1468<br>[0.128]                          |
| Size 25_49  | 0.1036<br>[0.164]                           | -0.2066<br>[0.156]                          |
| Size 50_99  | 0.1864<br>[0.205]                           | -0.1117<br>[0.159]                          |
| Size 100_199  | -0.0143<br>[0.253]                          | -0.2321<br>[0.172]                          |
| Size 200_499  | 0.2258<br>[0.211]                           | -0.0265<br>[0.160]                          |
| Size 500_999  | -0.0201<br>[0.323]                          | -0.2706<br>[0.200]                          |
| Size 1000-plus  | 0.3106**<br>[0.157]                         | 0.011<br>[0.171]                            |
| Manufacturing, utilities, construction  | 0.5806***<br>[0.032]                        | 0.3603***<br>[0.053]                        |
| Professional, scientific and technical services   | 0.4828***<br>[0.049]                        | 0.2237**<br>[0.111]                         |
| Public administration   | 0.4251***<br>[0.068]                        | 0.3738***<br>[0.056]                        |
| Education   | 0.5212***<br>[0.100]                        | 0.2995***<br>[0.112]                        |
| Health  | 0.2720**<br>[0.127]                         | 0.0206<br>[0.147]                           |
| Social work   | 0.4602***<br>[0.087]                        | 0.2147*<br>[0.114]                          |
| Single-establishment organisation   | -0.144<br>[0.150]                           | -0.009<br>[0.110]                           |
| Foreign-owned   | 0.2518*<br>[0.143]                          | 0.1985***<br>[0.075]                        |
| Graduate share of employment  | 0.0254<br>[0.045]                           | 0.0780**<br>[0.035]                         |

| <b>Table 4.7 (continued): Probit regression estimates of the probability of receiving fee support from employers for part-time study, all students matched to employers (unweighted) – Marginal effects (evaluated at sample means)</b> |   |   |
|---|---|---|
|   | <b>(3)</b>                                  | <b>(4)</b>                                  |
|   | <b>All students matched to employers</b>    | <b>All students matched to employers</b>    |
|   | <b>Student and employer characteristics</b> | <b>Student and employer characteristics</b> |
| <b>Dependent variable:</b>  | <b>Fees paid in full</b>                    | <b>Fees paid in full or in part</b>         |
| Formal training plan and budget   | 0.0212                                      | 0.1095                                      |
|   | [0.082]                                     | [0.067]                                     |
| Skill change index  | 0.0009                                      | 0.007                                       |
|   | [0.036]                                     | [0.032]                                     |
| National/international market focus   | -0.1347                                     | -0.0433                                     |
|   | [0.114]                                     | [0.125]                                     |
| New products  | -0.1192                                     | -0.0816                                     |
|   | [0.093]                                     | [0.091]                                     |
| Recent sales growth   | -0.026                                      | -0.0506                                     |
|   | [0.057]                                     | [0.059]                                     |
| University links – R&D, course design and delivery  | 0.021                                       | 0.0046                                      |
|   | [0.043]                                     | [0.035]                                     |
| University links – recruitment, sandwich placements   | -0.0841**                                   | -0.0634                                     |
|   | [0.041]                                     | [0.042]                                     |
| University links – technical problem-solving  | -0.0431                                     | -0.0406                                     |
|   | [0.049]                                     | [0.051]                                     |
| University links – training   | 0.0057                                      | 0.0347                                      |
|   | [0.040]                                     | [0.040]                                     |
| Observations  | 279   | 279   |
| Pseudo R sqd  | 0.436                                       | 0.396                                       |

Source: Student Survey and Employer Survey

Notes: \* significant at 10%; \*\* significant at 5%; \*\*\* significant at 1%

Probit estimates. Robust standard errors in parentheses are corrected for clustering of observations at subject of study and sector levels. The dependent variables = 1 if the employer has provided the stated level of support with tuition fees and = 0 if no such support has been received. Marginal effects are evaluated at the mean values of other independent variables.

The variables labelled Job requirements / employer encouragement, Individual desire for change, Family-based motives and Career ambitions are standardised factor scores as described in Tables 3.4-3.5.

The reference categories for student-level dummy variables are as follows: Higher National qualifications; part-time employees; male; white; final-year students; age 35-44; business studies; further education colleges; previous qualifications at NVQ level 2 or below; and household income under £25K.

The skill change index is a standardised factor score derived from employer responses regarding recent changes in skill needs as a result of new products, new working practices, new technologies or equipment or new legislative or regulatory requirements.

The university links variables are standardised factor scores derived from employer responses regarding different types of interaction with universities.

The reference categories for employer-level dummy variables are as follows: under 10 employees size group; other private services; part of multi-establishment organisation; UK-owned; do not have both formal training plan and budget; local/regional market focus; and no change or decline in sales in previous 12 months.

The employer survey data provide an opportunity to test the sensitivity of our results to using different measures of employer support for part-time students while taking employers rather than students as the unit of analysis. In the probit regression estimates presented in Table 4.8, the probability of employers providing full support with fees for a majority of their part-time student employees is found to be positively associated with much the same sectors as in the student-based analysis. However, several other variables perform differently in this analysis, not just because we are no longer taking account of student characteristics but because of the different nature of the fee support measure. For example, larger firms and organisations tend to be less likely to provide fee support for the majority of students, whereas in the student-based analysis employer size was not significantly related to the probability of individual students receiving support.

Overall, the probability of providing full fee support is positively related to employing Higher National students as compared to employees studying for First degree and Foundation degree qualifications (Table 4.8, Column 1) whereas provision of partial fee support is much the same for all three types of qualification aim (Column 2). Employers are also more likely to provide fee support if they operate with a formal training plan and budget and if their interactions with universities involve research and development and the design and delivery of courses. In contrast to the student-based analysis, we do not find any relationship between fee support and recruitment/sandwich placement interactions with universities. However, links with universities for training purposes are negatively associated with fee provision which suggests that, in some firms and organisations, short courses of training provided by universities may be seen as a substitute for supporting employees to study part-time for HE qualifications (Columns 1-2).

Columns 3-5 in Table 4.8 show the results of separate analyses of fee support for employees pursuing each of the three main qualification aims, and they reveal some interesting variation between them. For example, the relationship between employer size and fee support is largely positive when First degree students are involved whereas it is negative for Foundation degree and Higher National students. The graduate share of employment is also found to be positively associated with fee support for First degree students while it is negatively related to support for Higher National study. Support for First degree students is also higher among employers who are competing in national and international markets (as compared to local and regional markets) whereas this variable does not significantly affect fee support for Foundation degree and Higher National students. By contrast, the positive impact of operating with a formal training plan and budget applies primarily to support for Higher National students.

The results of the two different analyses are summarised in Table 4.9. They need to be interpreted with caution because of the relatively small size of the employer sample. Furthermore, as discussed in Section 3, the students matched to employer survey participants reported above average levels of employer support with tuition fees, and therefore our employer sample is not typical of the wider population of employers from which it was drawn. Nonetheless, the survey data provide valuable information about the motivations of those employers who do provide support for part-time students and the extent to which they believe this support has had

positive effects on skill levels and organisational performance. We now go on to explore these topics in detail.

| <b>Table 4.8: Probit regression estimates of the probability of employers providing fee support for employees engaged in part-time study (unweighted) – Marginal effects (evaluated at sample means)</b> |   |  |  |   |   |
|--|---|--|--|---|---|
| <b>Dependent variable:</b>   | <b>(1)</b>  | <b>(2)</b>   | <b>(3)</b>   | <b>(4)</b>  | <b>(5)</b>  |
|  | <b>Fees paid in full for majority of employees in part-time HE study (any HE qualification aim)</b> | <b>Fees paid in full or in part for majority of employees in part-time HE study (any HE qualification aim)</b> | <b>Fees paid in full or in part for majority of employees in part-time HE study (First degree students only)</b> | <b>Fees paid in full or in part for majority of employees in part-time HE study (Foundation degree students only)</b> | <b>Fees paid in full or in part for majority of employees in part-time HE study (Higher National students only)</b> |
| First degree   | 0.1953**<br>[0.088]   | 0.2716***<br>[0.037]   |  |   |   |
| Foundation degree  | 0.1743<br>[0.122]   | 0.2696**<br>[0.127]  |  |   |   |
| Higher National qualification  | 0.2438**<br>[0.111]   | 0.2419***<br>[0.084]   |  |   |   |
| Other HE qualification aim (not specified)   | 0.1187**<br>[0.054]   | 0.0506<br>[0.072]  |  |   |   |
| Student involvement in initiating part-time study  | -0.0084<br>[0.041]  | -0.0388<br>[0.035]   | -0.0158<br>[0.035]   | -0.0121<br>[0.018]  | 0.006<br>[0.016]  |
| Size 10_24   | -0.0973<br>[0.150]  | -0.1106<br>[0.090]   | 0.2460**<br>[0.107]  | 0.025<br>[0.077]  | -0.1917***<br>[0.036]   |
| Size 25_49   | -0.1111<br>[0.140]  | -0.1185<br>[0.109]   | 0.1218<br>[0.138]  | 0.011<br>[0.097]  | -0.0839<br>[0.102]  |
| Size 50_99   | -0.1948<br>[0.163]  | -0.0832<br>[0.136]   | 0.4159***<br>[0.133]   | 0.0148<br>[0.101]   | -0.0135<br>[0.089]  |
| Size 100_199   | -0.2707***<br>[0.089]   | -0.1796*<br>[0.106]  | 0.3423**<br>[0.143]  | 0.0374<br>[0.123]   | -0.0128<br>[0.098]  |
| Size 200_499   | -0.0778<br>[0.109]  | 0.0031<br>[0.117]  | 0.3744***<br>[0.124]   | 0.0114<br>[0.073]   | -0.0698<br>[0.051]  |
| Size 500_999   | -0.3406***<br>[0.033]   | -0.3959***<br>[0.081]  | 0.3002*<br>[0.161]   | -0.0842*<br>[0.048]   | -0.0551<br>[0.075]  |
| Size 1000-plus   | -0.3768***<br>[0.067]   | -0.4239***<br>[0.122]  | 0.3911**<br>[0.178]  | 0.0041<br>[0.095]   | -0.1400**<br>[0.070]  |
| Manufacturing, utilities, construction   | 0.2971***<br>[0.080]  | 0.2433***<br>[0.069]   | 0.2834***<br>[0.021]   | 0.9730***<br>[0.002]  | 0.3258***<br>[0.052]  |
| Professional, scientific and technical services  | 0.3285***<br>[0.053]  | 0.1691**<br>[0.076]  | 0.3544***<br>[0.113]   | 0.9432***<br>[0.002]  | 0.4145***<br>[0.083]  |
| Public administration  | 0.1316*<br>[0.071]  | 0.1407**<br>[0.058]  | 0.2452***<br>[0.033]   | 0.9787***<br>[0.002]  | 0.1002**<br>[0.044]   |

**Table 4.8 (continued): Probit regression estimates of the probability of employers providing fee support for employees engaged in part-time study (unweighted) – Marginal effects (evaluated at sample means)**

|   | (1)  | (2)   | (3)   | (4)  | (5)  |
|---|--|---|---|--|--|
| Dependent variable:                                 | Fees paid in full for majority of employees in part-time HE study (any HE qualification aim) | Fees paid in full or in part for majority of employees in part-time HE study (any HE qualification aim) | Fees paid in full or in part for majority of employees in part-time HE study (First degree students only) | Fees paid in full or in part for majority of employees in part-time HE study (Foundation degree students only) | Fees paid in full or in part for majority of employees in part-time HE study (Higher National students only) |
| Education   | 0.1209***<br>[0.041]   | 0.1586***<br>[0.056]  | 0.1901***<br>[0.071]  | 0.9961***<br>[0.002]   | 0.0407<br>[0.029]  |
| Health  | 0.0269<br>[0.056]  | -0.0963<br>[0.063]  | -0.0726*<br>[0.038]   | 0.9199***<br>[0.003]   |  |
| Social work   | 0.1582***<br>[0.048]   | 0.1058<br>[0.071]   | 0.3413***<br>[0.083]  | 0.9770***<br>[0.002]   | -0.0682*<br>[0.036]  |
| Single-establishment organisation                   | -0.1476**<br>[0.060]   | 0.0712<br>[0.086]   | 0.0646<br>[0.076]   | 0.059<br>[0.045]   | -0.1243***<br>[0.043]  |
| Foreign-owned                                       | -0.0503<br>[0.125]   | -0.1179<br>[0.086]  | 0.0266<br>[0.057]   | -0.1264***<br>[0.007]  | -0.0646<br>[0.108]   |
| Graduate share of employment                        | -0.0503**<br>[0.022]   | -0.0108<br>[0.024]  | 0.0435**<br>[0.022]   | -0.0299*<br>[0.015]  | -0.0480***<br>[0.014]  |
| Formal training plan and budget                     | 0.2515**<br>[0.099]  | 0.2075*<br>[0.108]  | -0.039<br>[0.104]   | 0.0426<br>[0.046]  | 0.1873***<br>[0.057]   |
| Skill change index                                  | -0.0422<br>[0.031]   | -0.0317<br>[0.034]  | 0.0291<br>[0.045]   | 0.0166<br>[0.012]  | -0.0058<br>[0.045]   |
| National/international market focus                 | 0.049<br>[0.066]   | 0.1137<br>[0.087]   | 0.1290***<br>[0.049]  | -0.0139<br>[0.021]   | -0.0044<br>[0.072]   |
| New products  | 0.0103<br>[0.066]  | -0.0488<br>[0.071]  | -0.0897<br>[0.062]  | -0.0400**<br>[0.018]   | -0.0399<br>[0.043]   |
| Recent sales growth                                 | 0.0669<br>[0.076]  | 0.0167<br>[0.068]   | 0.0004<br>[0.053]   | 0.0263<br>[0.024]  | -0.0012<br>[0.046]   |
| University links – R&D, course design and delivery  | 0.0128<br>[0.022]  | 0.0426***<br>[0.016]  | 0.0289<br>[0.038]   | 0.0307<br>[0.027]  | 0.0059<br>[0.019]  |
| University links – recruitment, sandwich placements | 0.0236<br>[0.034]  | -0.0064<br>[0.028]  | 0.0432<br>[0.026]   | 0.0304<br>[0.019]  | 0.0165<br>[0.021]  |
| University links – technical problem-solving        | 0.016<br>[0.011]   | -0.0036<br>[0.022]  | -0.0003<br>[0.013]  | 0.0035<br>[0.021]  | 0.0345<br>[0.022]  |
| University links – training                         | -0.0317**<br>[0.016]   | -0.0556*<br>[0.030]   | -0.0032<br>[0.036]  | -0.0125<br>[0.021]   | 0.004<br>[0.029]   |
| Observations  | 291  | 291   | 291   | 278  | 274  |
| Pseudo R sqd  | 0.166  | 0.239   | 0.13  | 0.168  | 0.165  |

Source: Employer Survey

Notes: \* significant at 10%; \*\* significant at 5%; \*\*\* significant at 1%

Probit estimates. Robust standard errors in parentheses are corrected for clustering of observations at sector level. The dependent variables = 1 if the employer has provided the stated level of support with tuition fees and = 0 if no such support is provided. Marginal effects are evaluated at the mean values of other independent variables.

The variables denoting First degrees, Foundation degrees, Higher National qualifications and Other HE qualification aim (not specified) = 1 when employers are aware of at least one employee studying part-time for the qualification in question; = 0 otherwise.

The measure of student involvement in initiating part-time study is an index ranging from 1-4, based on responses to a question: 'To what extent do employees themselves initiate the idea of studying part-time rather than the idea coming from you or other managers in the organisation?' 1 = Not at all often; 2 = Not very often; 3 = Quite often; 4 = Very often.

The skill change index is a standardised factor score derived from employer responses regarding recent changes in skill needs as a result of new products, new working practices, new technologies or equipment or new legislative or regulatory requirements.

The university links variables are standardised factor scores derived from employer responses regarding different types of interaction with universities.

The reference categories for dummy variables are as follows: under 10 employees size group; other private services; part of multi-establishment organisation; UK-owned; do not have both formal training plan and budget; local/regional market focus; and no change or decline in sales in previous 12 months.

**Table 4.9: Overview of employer-related characteristics affecting the provision of support with course fees for part-time student employees: statistically significant variables derived from Tables 4-7-4.8**

|                                | <b>Student-based analysis, incorporating employer characteristics</b>                                       | <b>Employer-based analysis</b>   |
|--------------------------------|---|--|
| <i>Measure of fee support:</i> | <i>Whether individual part-time students receive fee support from employers, in full or in part</i>         | <i>Whether employers provide fee support in full or in part for majority of employees studying part-time</i>                                     |
| Positive influences            | Sectors:<br>Manufacturing/utilities/construction<br>Professional/scientific/technical services<br>Education | Sectors: Manufacturing/utilities/construction<br>Professional/scientific/technical services<br>Education<br>Public administration<br>Social work |
|                                | Graduate share of employment  | Graduate share of employment (First degree students)   |
|                                | Foreign ownership   | Formal training plan and budget  |
|                                |   | University links – R&D, course design and delivery   |
|                                |   | Establishment size (First degree students)   |
|                                |   | National/international market focus (First degree students)  |
| Negative influences            | University links – recruitment, sandwich placements   | University links – training  |
|                                |   | Single-establishment organisation  |
|                                |   | Establishment size (Higher National students)  |
|                                |   | Graduate share of employment (Foundation degree and Higher National students)  |

## **Employer assessments of the advantages and disadvantages of supporting employees to study part-time**

In this section we explore the following key issues:

- The perceived benefits to organisations, including improvements in skills and knowledge that employees gain through part-time HE study
- The conditions placed by employers on fee support for employees to undertake part-time HE study
- The extent to which the benefits of supported HE study are formally evaluated by firms and organisations
- The types of employee most likely to be chosen to receive support of this kind
- The extent to which employers encourage part-time study by offering advice on study opportunities to employees, or ensuring that in-house training is linked to HE studies, or including study achievements as a criterion for pay increases
- The perceived impact of part-time HE study on employees' current tasks and responsibilities, skills utilisation and promotion prospects
- The advantages and disadvantages of supporting part-time HE study by employees as an alternative to direct recruitment of holders of HE qualifications on the external labour market
- Barriers to and disadvantages arising from supporting part-time study

To examine these topics, we also draw on in-depth semi-structured follow-up interviews with 15 of the employer survey participants which were selected in order to cover a broad mix of qualification aims and levels of fee support (see Table 4.10 for details of these 15 employers).

Table 4.10: Firms and organisations which participated in semi-structured follow-up interviews

| <b>Code</b> | <b>Sector</b>                                   | <b>Employment size-group</b> | <b>Awareness of HE study</b>   | <b>Level of fee support for students</b> |
|-------------|---|------------------------------|--|--|
| F1          | Manufacturing, utilities, construction          | 500+                         | Aware of employees studying part-time for Foundation degrees             | Pay full fees for majority               |
| F2          | Manufacturing, utilities, construction          | 250-499                      | Aware of employees studying part-time for Higher National qualifications | Pay full fees for majority               |
| F3          | Manufacturing, utilities, construction          | 25-99                        | Aware of employees studying part-time for Higher National qualifications | Pay full fees for majority               |
| F4          | Manufacturing, utilities, construction          | 5-24                         | Aware of employees studying part-time for Foundation degrees             | Pay full fees for majority               |
| F5          | Professional, scientific and technical services | 25-99                        | Aware of employees studying part-time for Higher National qualifications | Pay full fees for majority               |
| F6          | Public administration                           | 500+                         | Aware of employees studying part-time for Foundation degrees             | Pay part fees for majority               |
| F7          | Public administration                           | 100-249                      | Aware of employees studying part-time for First degrees                  | Pay full fees for majority               |
| F8          | Public administration                           | 25-99                        | Aware of employees studying part-time for Higher National qualifications | Some fee support, extent unknown         |
| F9          | Education                                       | 250-499                      | Aware of employees studying part-time for First degrees                  | Pay part fees for majority               |
| F10         | Education                                       | 25-99                        | Aware of employees studying part-time for Higher National qualifications | Pay part fees for majority               |
| F11         | Education                                       | 25-99                        | Aware of employees studying part-time for First degrees                  | Pay full fees for majority               |
| F12         | Social work                                     | 5-24                         | Aware of employees studying part-time for Foundation degrees             | Pay full fees for majority               |
| F13         | Social work                                     | 5-24                         | Aware of employees studying part-time for Foundation degrees             | Pay part fees for majority               |
| F14         | Other services                                  | 500+                         | Aware of employees studying part-time for First degrees                  | Pay full fees for majority               |
| F15         | Other services                                  | 5-24                         | Aware of employees studying part-time for First degrees                  | Pay part fees for majority               |



## Benefits of part-time HE study

Why do so many employers in our survey provide support for employees to engage in part-time HE study? Tables 4.11-4.12 show responses to questions which were asked of employers about the top two groups of students for whom they provided support. When asked about the benefits to their organisations of supporting part-time students, the most common responses were in fact relatively uninformative: 'more knowledgeable' and 'better qualified'. Some potential benefits that were expected to be important such as improved career progression and staff retention were only cited by minorities of employers (Table 4.11).

However, in the follow-up interviews several respondents expressed strong beliefs that supporting employees in part-time study would help both in retaining them and in promoting their career development:

*They are definitely more likely to stay.... They get fast-tracked into positions as and when they become available [F1]*

*I think they are more likely to stay actually, because of the loyalty.... If they come along with the same set of skills and are qualified, compared to someone who isn't, they are better able to compete in fair and open competition [F6]*

*They help us to grow, and some of them move on and develop and grow.... Others are happy to stay. We kind of benefit both ways [F11]*

*It certainly improves their career prospects within the organisation, because, if they are identified as talent, the purpose of sending them on these sorts of [courses] is to fast track their progression through the organisation.... We have about an 85% retention rate. It is certainly our belief that providing training aids retention [F14]*

When asked about the most common skills and knowledge gained through part-time study, about 20-30% of employers supporting HE study cited practical and technical skills while smaller numbers mentioned communication and problem-solving skills (Table 4.12, Columns 1-4). A large majority of employers spoke in more general terms about skills or knowledge which were specifically related to job roles. This reflects a widespread emphasis on supported study having to be work-related:

*I think the training and technical education they get on the HNC is important for the work that they do. And also many of our clients expect to see certain minimum levels of qualification for the people that work on their projects. There's also the commercial view that the*

*more qualified someone is, the more you can charge for their time [F4]*

*We don't say you can or you can't [enrol on HE courses] just because of what job you are in, we would look at the application. The application process is open to anybody. But then they've got to meet criteria, and obviously there are not hundreds of people who can demonstrate that there is a contractual or legal requirement, or a benefit for the organisation [F6]*

*It needs to relate to their work area. Obviously being a charity we have a board that we respond to, and particularly in the case of degrees or those longer-term education experiences the board are usually informed and it is recommended to them [F15]*

**Table 4.11: Employers supporting part-time students, analysed by student qualification aim and perceived benefits to organisations from supporting part-time study in HE**

| <b>Employers supporting HE students</b>       |                     |                          |                        |                          |
|---|---------------------|--------------------------|------------------------|--------------------------|
| <b>Qualification aim:</b>                     | <b>First degree</b> | <b>Foundation degree</b> | <b>Higher National</b> | <b>HE, not specified</b> |
| <i>Percentage of employers</i>                |                     |                          |                        |                          |
| <b>Benefits to organisations:</b>             |                     |                          |                        |                          |
| Higher productivity or efficiency             | 23                  | 14                       | 15                     | 10                       |
| Increased staff retention                     | 17                  | 6                        | 15                     | 14                       |
| Improved staff attitudes                      | 19                  | 9                        | 12                     | 19                       |
| Improved career progression                   | 16                  | 14                       | 20                     | 12                       |
| More innovative staff                         | 5                   | 5                        | 4                      | 10                       |
| More knowledgeable staff                      | 45                  | 47                       | 45                     | 43                       |
| Better qualified staff                        | 38                  | 48                       | 40                     | 48                       |
| Improve skills                                | 9                   | 1                        | 5                      | 5                        |
| Improve company's credibility / marketability | 2                   | 1                        | 1                      | 5                        |
| To meet regulations or legislation            | 1                   | 4                        | 4                      | 0                        |
| No benefits                                   | 1                   | 1                        | 0                      | 0                        |
| Other   | 5                   | 3                        | 4                      | 2                        |
| Don't know                                    | 2                   | 1                        | 0                      | 0                        |
|   |                     |                          |                        |                          |
| <i>n=</i>                                     | 148                 | 79                       | 75                     | 42                       |

Source: Employer Survey

Note: Multiple responses permitted. Employers were asked about employees in the two largest qualification groups supported by their organisations.

The same question about the skills and knowledge gained through part-time study was put to employers who were not providing any support to employees for their studies and just over two fifths of these employers also mentioned job-specific skills (Table 4.12, Column 5). However, another two fifths of the non-supportive employers could not cite any skills to be gained through part-time study.

**Table 4.12: Employers supporting part-time students, analysed by student qualification aim and types of skills and knowledge that employees gain through part-time study in HE**

| Qualification aim:                                | Employers supporting HE students |                   |                 |                   | Employers <u>not</u> providing support to HE students |
|---|----------------------------------|-------------------|-----------------|-------------------|---|
|   | First degree                     | Foundation degree | Higher National | HE, not specified |   |
| <i>% of employers</i>                             |                                  |                   |                 |                   |   |
| <b>Skill areas:</b>                               |                                  |                   |                 |                   |   |
| Practical or technical skills                     | 28                               | 28                | 23              | 19                | 13  |
| Communication skills                              | 7                                | 10                | 4               | 12                | 4   |
| Problem-solving skills                            | 4                                | 3                 | 4               | 5                 | 0   |
| Skills or knowledge specific to job roles         | 67                               | 62                | 75              | 71                | 40  |
| More potential for promotion                      | 1                                | 4                 | 1               | 7                 | 2   |
| More suitable for management or supervisory roles | 3                                | 5                 | 7               | 17                | 4   |
| Improved relations with work colleagues           | 2                                | 3                 | 3               | 7                 | 0   |
| Greater confidence                                | 3                                | 6                 | 3               | 14                | 0   |
| Wider horizons                                    | 7                                | 3                 | 4               | 0                 | 0   |
| Useful contacts, better networking skills         | 3                                | 1                 | 3               | 2                 | 0   |
| Research and study skills                         | 7                                | 3                 | 4               | 7                 | 0   |
| IT skills   | 2                                | 0                 | 1               | 2                 | 0   |
| Management skills                                 | 2                                | 0                 | 1               | 5                 | 0   |
| Organisation, planning and time management skills | 3                                | 0                 | 4               | 2                 | 0   |
| None  | 2                                | 0                 | 1               | 0                 | 4   |
| Other   | 1                                | 4                 | 3               | 2                 | 0   |
| Don't know  | 6                                | 10                | 3               | 5                 | 40  |
| <i>n=</i>   | 148                              | 79                | 75              | 42                | 48  |

Source: Employer Survey

Note: Multiple responses permitted. Employers were asked about employees in the two largest qualification groups supported by their organisations.

## Conditions placed on fee support

The importance attached to courses being relevant to particular jobs and to business needs shows up in the conditions that many employers attach to providing support with course fees. As shown in Table 4.13, large majorities of supportive employers stipulate that courses have to be work-related and more than half of them report that employees are obliged to pay back fees if they leave the firm or organisation before a certain time period has elapsed.

In follow-up interviews, some strong views emerged about the conditions attached to fee support:

*It depends on what sort of course it is. If it leads to a professional qualification etcetera then they have to sign an agreement concerning that, because the fees are such that there's got to be a return of service as pay back if you like [F8]*

*The condition is that if they don't complete the course they would have to repay me the money. And also, the condition that once they have completed they do stay with me for a fixed period of time [F13]*

*In some cases it is requested, certainly in the cases where they ask for a large amount of money. They would be asked to sign something, that would say they would work for x amount of years after completion or they would be expected to pay back the fees [F9]*

*If it's a high investment in time and money then we would want to retain those people for some time. We do have a claw back built into staff development funding. We expect people to be with us 2 years after they've finished any sort of course, otherwise there's a sliding scale claw back [F10]*

Only a minority of employers were relaxed about people seeking employment elsewhere after being supported for part-time study:

*I've not seen anything that says that if you leave once you've completed you've got to pay that back. I know people who've done that, and I think they accept that loss. Hopefully, if it's taken 4 years for somebody to get through a degree course, then we'd have had some organisational benefit from them through those 4 years [F7]*

*No. there's no tie in or anything. We did consider the option of saying that if they left within a certain period of time they'd have to pay back*

*tuition fees. But we veered away from it, and have never enforced it. That is because of the type of relationship we have with our employees that we would rather have square pegs and square holes, if someone is genuinely not happy and moving on, there's always a particular reason. It's not feasible to ask them to stay [F11]*

Since the legal status of agreements to 'claw back' fee payments is sometimes questioned, the follow-up interviewees were probed about how easy it was to enforce. Most respondents stressed that the circumstances did not arise often but, if they did arise, they were willing to enforce agreements:

*We get about one a year. We manage to enforce it; we can always take it out of their final pay as they've signed an agreement. Nobody likes doing it, but we do it [F2]*

*When someone has upped sticks and moved we have enforced it. Because we've been open about it at the start, they've accepted it as part of the deal [F10]*

*We enforce it. If people don't want to repay us we usually retain it out of their final monies. But, to be fair, when people do leave: I had an example of a member of staff who for family reasons changed roles, and we allowed them to pay in installments over 3 months. It's not about creating financial hardship, but it is about the fact that if we pay for it we expect people to stay, and if they don't, we want our money back to invest in someone else [F14]*

Regression analysis of the main factors affecting the conditions placed on fee support suggests that – very plausibly – conditionality is strongest in firms and organizations where employees tend to take the initiative in suggesting that they might undertake part-time study for HE qualifications (Table 4.14). In these circumstances – where employers are primarily responding to employee suggestions rather than driving the process of part-time study – it is not surprising that they are anxious to ensure that the courses are work-related and conform with other conditions before they are willing to provide support. This issue is considered further below in the context of how employees are selected to receive support. Conditionality also tends to be stricter among employers in the professional services and social work sectors and to those competing in national and international markets. By contrast, all else being equal, employers in manufacturing and those with a high graduate share of employment are less likely to impose strict conditions on fee support.

| <b>Table 4.13: Employers supporting part-time students, analysed by student qualification aim and conditions placed on fee support for employees to study part-time</b> |   |                          |                        |                          |
|---|---|--------------------------|------------------------|--------------------------|
| <b>Qualification aim:</b>   | <b>Employers supporting HE students</b> |                          |                        |                          |
|   | <b>First degree</b>                     | <b>Foundation degree</b> | <b>Higher National</b> | <b>HE, not specified</b> |
|   | <i>% of employers</i>                   |                          |                        |                          |
| <b>Course must be work-related</b>  |   |                          |                        |                          |
| Always  | 59                                      | 65                       | 60                     | 63                       |
| Usually   | 21                                      | 17                       | 25                     | 22                       |
| Sometimes   | 10                                      | 8                        | 9                      | 6                        |
| Never   | 9                                       | 10                       | 5                      | 8                        |
| <b>Employees are obliged to pay back fees if they leave your organisation within a certain time</b>   |   |                          |                        |                          |
| Always  | 42                                      | 39                       | 44                     | 45                       |
| Usually   | 13                                      | 9                        | 9                      | 14                       |
| Sometimes   | 16                                      | 15                       | 17                     | 14                       |
| Never   | 29                                      | 37                       | 29                     | 27                       |
| <b>No formal obligations but employees are expected to demonstrate how part-time study is benefiting their performance at work</b>                                      |   |                          |                        |                          |
| Always  | 47                                      | 49                       | 51                     | 47                       |
| Usually   | 27                                      | 23                       | 23                     | 22                       |
| Sometimes   | 9                                       | 8                        | 7                      | 14                       |
| Never   | 17                                      | 21                       | 19                     | 16                       |
| <b>No formal obligations but employees are expected to show loyalty to firm by staying on for a reasonable period of time</b>   |   |                          |                        |                          |
| Always  | 27                                      | 26                       | 31                     | 27                       |
| Usually   | 23                                      | 22                       | 18                     | 18                       |
| Sometimes   | 10                                      | 9                        | 15                     | 16                       |
| Never   | 40                                      | 43                       | 37                     | 39                       |
| Total   | 100                                     | 100                      | 100                    | 100                      |
| <i>n =</i>  | 150                                     | 92                       | 95                     | 49                       |

Source: Employer Survey

**Table 4.14: Probit regression estimates of the probability of employers imposing conditions on fee support for employees engaged in part-time study (unweighted) – Marginal effects (evaluated at sample means)**

|   | (1)                   |
|---|-----------------------|
| Dependent variable:                               | Conditionality index  |
| First degree                                      | -0.1446<br>[0.185]    |
| Foundation degree                                 | 0.029<br>[0.130]      |
| Higher National qualification                     | 0.0515<br>[0.278]     |
| Other HE qualification aim (not specified)        | -0.0847<br>[0.214]    |
| Student involvement in initiating part-time study | 0.1105***<br>[0.027]  |
| Size 10_24  | -0.1155<br>[0.401]    |
| Size 25_49  | -0.6495**<br>[0.322]  |
| Size 50_99  | -0.1407<br>[0.372]    |
| Size 100_199                                      | -0.2107<br>[0.496]    |
| Size 200_499                                      | 0.3013<br>[0.434]     |
| Size 500_999                                      | 0.3829<br>[0.430]     |
| Size 1000-plus                                    | 0.3491<br>[0.334]     |
| Manufacturing, utilities, construction            | -0.4492***<br>[0.110] |
| Professional, scientific and technical services   | 0.2270**<br>[0.096]   |
| Public administration                             | 0.0907<br>[0.088]     |
| Education   | -0.092<br>[0.099]     |
| Health  | 0.0528<br>[0.170]     |
| Social work                                       | 0.3967***<br>[0.143]  |
| Single-establishment organisation                 | -0.0928<br>[0.262]    |
| Foreign-owned                                     | 0.2791<br>[0.263]     |
| Graduate share of employment                      | -0.0683*<br>[0.039]   |

| <b>Table 4.14 (continued): Probit regression estimates of the probability of employers imposing conditions on fee support for employees engaged in part-time study (unweighted) – Marginal effects (evaluated at sample means)</b> |                             |
|--|-----------------------------|
|  | <b>(1)</b>                  |
| <b>Dependent variable:</b>   | <b>Conditionality index</b> |
| Formal training plan and budget  | 0.2268<br>[0.285]           |
| Skill change index   | -0.0214<br>[0.061]          |
| National/international market focus  | 0.4306***<br>[0.164]        |
| New products   | -0.0789<br>[0.267]          |
| Recent sales growth  | -0.1045<br>[0.151]          |
| University links – R&D, course design and delivery   | 0.0016<br>[0.061]           |
| University links – recruitment, sandwich placements  | -0.0311<br>[0.060]          |
| University links – technical problem-solving   | -0.0363<br>[0.079]          |
| University links – training  | -0.0425<br>[0.067]          |
| Observations   | 246                         |
| Pseudo R sqd   | 0.0432                      |

Source: Employer Survey

Notes: \* significant at 10%; \*\* significant at 5%; \*\*\* significant at 1%

Ordered probit estimates. Robust standard errors in parentheses are corrected for clustering of observations at sector level.

The dependent variable is an index ranging from 4 to 16, derived by summing employers' responses to the four conditions for fee support described in Table 4.12 where Never=1, Sometimes = 2, Usually = 3 and Always = 4. Marginal effects are evaluated at the mean values of other independent variables.

Base: All employers providing fee support for at least one employee studying part-time in HE.

For descriptions of independent variable, see notes to Table 4.8.

## Evaluating the benefits of supporting part-time HE study

To some extent the emphasis placed on work-relevance and the conditions attached to fee support seemed to make employers so confident that their organizations would benefit from employees studying part-time that there was little need to mount a formal evaluation of any kind. This question was not posed in the main survey but when it was raised in the follow-up interviews, only a handful of respondents could describe a formal approach to evaluation:



*We have what we call a monitoring time where we look at the experiences of the children and the families. For example, this person has graduated in early childhood studies, what kind of impact has that had on the services here? And we'll evaluate. We always find that it is very worthwhile, because the skills that the employees have, and the effect that they have on their colleagues and the workplace as a whole is very good [F11]*

*Yes, continuously. We have an evaluation model that looks at what the employee does to apply their learning to make a difference or an impact on the business that we can measure in monetary terms, as well as reviewing their personal progress and behavioral improvement. We have an expectation of a 200% return on investment in training, and we usually blow it away [F14]*

The majority of organizations appeared to rely on their initial selection procedures to ensure that the supported study was beneficial:

*I'd say that is very difficult to do. Wherever possible we do evaluate the training that is offered to individuals. But in those types of courses it is very difficult to evaluate the actual value to the company. I would say that people doing those courses over time would definitely repay the company five or ten fold to be quite honest. But it's very difficult to quantify that. My personal view is that there definitely is a return on that investment [F1]*

*I don't think they do. I think there's just an acceptance that we will get a benefit from the further and higher education of employees [F7]*

*Probably not as well as we should. We have a system where people fill in a basic evaluation form, either for a short course or a long course, and that forms part of their personnel records. We also try and encourage people to feed it back informally, either through staff meetings or conversations. But there's not a hugely rigorous process involved [F15]*

### **Selection of employees for support with part-time study**

What kinds of employee are most likely to be offered support for part-time study and how are they selected? Do employers usually take the initiative in proposing that staff enrol for part-time HE courses or does the initial idea usually come from students themselves?

Firstly, it is clear that a majority of part-time students are already quite well-qualified. As shown previously in Table 2.3, 54% of First degree students in the student survey already held NVQ4-

level qualifications or higher before embarking on their current courses while the same was true of 25% of part-time Foundation degree students and 29% of part-time Higher National students. Across the three main qualification aims, as many as 80% of all students already held qualifications at NVQ Level 3 or higher. This is consistent with employer survey data suggesting that a majority of part-time student employees were in associate professional, professional or managerial occupations, although lower-skilled occupations were also represented to some extent (Table 4.15).

For many employers there is an understandable logic to supporting employees who have already proved themselves in higher education. Research on training provision frequently shows that highly-educated employees receive more training than do employees with few or no qualifications, and one reason for this is that high levels of ability (as signified by educational qualifications) are likely to be complementary to training and thus contribute to higher returns to training provision (Booth, 1991; Green, 1993; Acemoglu and Pischke, 1998).

In follow-up interviews some respondents placed great emphasis on students' ability to complete any course on which they were supported:

*We look at what the business need is, and we look at the ability of the individual. At the end of the day we don't want to set anyone up to fail. And then we come to some mutual understanding of what course would be best for them to do [F4]*

*It is an open process though so people are able to self-nominate into talent selection, but if they don't meet our talent criteria we won't support them. There would be no benefit to the company in doing that. What we do then is they get a personal development plan and all the training and development necessary to try and help them to become talented, but not until they actually cross the threshold and become a high-potential employee would we warrant extra investment [F14]*

Another reason why a high proportion of part-time students are already well-qualified may be that – especially at First degree level – it is often employees themselves that initiate the idea of part-time study (see Table 4.16) <sup>10</sup> and it seems likely that well-qualified people have the most confidence to do so. Some manufacturing employers made a sharp distinction between apprentices and First degree students in this respect:

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<sup>10</sup> The survey findings in Table 4.16 showing a high degree of student initiative so far as part-time study is concerned are consistent with similar findings in a recent survey of 474 Foundation degree students by Yorke and Longden (2010).

*The Higher National students will be apprentices, and so it will be a course of study that is appropriate to their apprenticeship. Those will mostly be chosen by us, and will be standard things that others have done before, but there is some element of choice. They may for example decide that they want to do mechanical engineering rather than plant engineering. So there's a little element of choice, but they will be things that are appropriate. Then we have some who will be doing a First degree who will have totally chosen that themselves. But we have certain criteria about relevance to their work and their career that determine what support we give them [F2]*

*Normally we would suggest what is most suitable for [apprentices]... But we have had a case in the past where an existing employee has decided to go on and do a further qualification. They discussed with their supervisor the courses available and whether it was going to be suitable for them. So we've done a bit of both ways [F3]*

| <b>Table 4.15: Employers supporting part-time students, analysed by student qualification aim and occupation of employees receiving fee support for part-time study</b> |   |                          |                        |                          |
|---|---|--------------------------|------------------------|--------------------------|
| <b>Qualification aim:</b>   | <b>Employers supporting HE students</b> |                          |                        |                          |
|   | <b>First degree</b>                     | <b>Foundation degree</b> | <b>Higher National</b> | <b>HE, not specified</b> |
|   | <i>% of employers</i>                   |                          |                        |                          |
| <b>Occupation group:</b>  |   |                          |                        |                          |
| Managers  | 55                                      | 35                       | 27                     | 60                       |
| Professional occupations  | 58                                      | 37                       | 45                     | 62                       |
| Associate professional and technical occupations  | 51                                      | 47                       | 57                     | 43                       |
| Administrative and secretarial occupations  | 28                                      | 18                       | 32                     | 36                       |
| Skilled trades occupations  | 17                                      | 9                        | 25                     | 21                       |
| Personal service occupations  | 9                                       | 8                        | 11                     | 7                        |
| Sales and customer service occupations  | 5                                       | 5                        | 9                      | 19                       |
| Process, plant and machine operatives   | 5                                       | 3                        | 15                     | 7                        |
| Elementary occupations  | 7                                       | 1                        | 4                      | 2                        |
| Don't know  | 0                                       | 4                        | 1                      | 0                        |
|   |   |                          |                        |                          |
| <i>n=</i>   | 148                                     | 79                       | 75                     | 42                       |

Source: Employer Survey

Note: Multiple responses permitted. Employers were asked about employees in the two largest qualification groups supported by their organisations.

| Table 4.16: Employers supporting part-time students, analysed by student qualification aim and extent to which employees themselves initiate the idea of studying part-time in HE |                                  |                   |                 |                   |
|---|----------------------------------|-------------------|-----------------|-------------------|
| Qualification aim:  | Employers supporting HE students |                   |                 |                   |
|   | First degree                     | Foundation degree | Higher National | HE, not specified |
| % of employers  |                                  |                   |                 |                   |
| Extent to which employees initiate idea of part-time study:   |                                  |                   |                 |                   |
| Very often  | 35                               | 25                | 19              | 40                |
| Quite often   | 39                               | 46                | 57              | 45                |
| Not very often  | 16                               | 13                | 20              | 12                |
| Not at all often  | 11                               | 16                | 4               | 2                 |
| Total   | 100                              | 100               | 100             | 100               |
| <i>n</i> =  | 148                              | 79                | 75              | 42                |

Source: Employer Survey

By contrast, some public sector organisations cast themselves in the role of primarily responding to individual suggestions:

*A lot of it is down to self-selection. My understanding is, that they select an avenue to go down and it is then looked at in relation to their own personal development and whether that fits in with the role that they are undertaking, or a role that they could undertake in future promotion. And then how it fits in relation to the organisation, that's how it's assessed. What happens from then is that it goes in front of a panel who decide in relation to what funding will be provided: either no funding, part funding or full funding [F7]*

*It's entirely up to the individual. They'll choose an area that they're interested in and then they'll let us know about the course, and then we can look into whether we run it on site or whether there is something external. In the majority of cases it is related to their work, if it was something that wasn't then they would be expected to pay more for it themselves [F9]*

But as we have seen in prior discussion of the conditions attached to fee support, even where the initial suggestions for part-time study come from individuals, most firms and organisations insist that the employees demonstrate the relevance of courses to their work before support is given:

*If it benefits them and it benefits the organisation, then we are prepared to consider it [F8]*

*It's open to all of our staff, there is nothing to say that the assistant nursery nurses cannot apply. First of all we would look at the role that they fulfil within our organisation. And, through a staff appraisal programme, we would look at what they want for the future, where they see themselves in 5 or 10 years time. If they are setting themselves a standard of being in a position of responsibility then obviously as an employer we hope to be able to facilitate that [F11]*

*[Training for professional development purposes] is of benefit to the organisation, and by the way it is beneficial to the person. If we can't identify a business need for sending somebody on a training course or a degree programme they wouldn't go [F14]*

### **Other forms of encouragement for part-time study**

Individual initiative is therefore important in many cases for the idea of part-time HE study even to be considered within some firms and organisations. But there is some evidence of employers actively seeking to encourage employees to enrol for part-time study. The proportion of employers offering 'a lot' of advice on how part-time study could affect employees' careers was as high as 42% in the case of employers of Foundation degree students and ranged from 31-35% in the other qualification groups (Table 4.17, Part A).

In addition, a majority of employers reported that part-time study was frequently taken into account in staff appraisals. However a similar majority said that study achievements did not automatically lead to pay increases (Table 4.17, Parts B-C). As will be discussed below, for many firms and organisations a willingness to engage in part-time study is just one factor to take into account when deciding on pay and promotions.

| <b>Table 4.17: Employers supporting part-time students, analysed by student qualification aim and links between part-time study in HE, pay, training and career development</b> |   |                          |                        |                          |
|---|---|--------------------------|------------------------|--------------------------|
| <b>Qualification aim:</b>   | <b>Employers supporting HE students</b> |                          |                        |                          |
|   | <b>First degree</b>                     | <b>Foundation degree</b> | <b>Higher National</b> | <b>HE, not specified</b> |
|   | <i>% of employers</i>                   |                          |                        |                          |
| <b>Extent to which employers encourage employees to study part-time by:</b>   |   |                          |                        |                          |
| <b>A. Offering advice on how it will affect their careers</b>   |   |                          |                        |                          |
| Yes, a lot  | 32                                      | 42                       | 35                     | 31                       |
| Yes, to a certain extent  | 45                                      | 41                       | 45                     | 55                       |
| Not at all  | 23                                      | 18                       | 20                     | 14                       |
| <b>B. Taking account of part-time study in staff appraisals</b>   |   |                          |                        |                          |
| Yes, a lot  | 57                                      | 48                       | 57                     | 40                       |
| Yes, to a certain extent  | 30                                      | 42                       | 32                     | 52                       |
| Not at all  | 14                                      | 10                       | 11                     | 7                        |
| <b>C. Offering pay increases related to study achievements</b>  |   |                          |                        |                          |
| Yes, a lot  | 14                                      | 13                       | 16                     | 12                       |
| Yes, to a certain extent  | 30                                      | 35                       | 31                     | 38                       |
| Not at all  | 56                                      | 52                       | 53                     | 50                       |
| <b>D. Designing in-company training to build on employees' part-time studies</b>  |   |                          |                        |                          |
| Yes, a lot  | 20                                      | 25                       | 24                     | 26                       |
| Yes, to a certain extent  | 42                                      | 42                       | 48                     | 43                       |
| Not at all  | 39                                      | 33                       | 28                     | 31                       |
| Total   | 100                                     | 100                      | 100                    | 100                      |
| <i>n</i> =  | 148                                     | 79                       | 75                     | 42                       |

Source: Employer Survey

Employers were also asked about the extent to which their internal training was modified to build on employees' part-time studies. About a quarter said that this happened a lot while roughly a third said it never happened. Overall, the proportion of employers reporting at least some links between part-time studies and in-house training ranged from 62% of those employing First degree students to 72% of those employing Higher National students (Table 4.17, Part D).

## Impact of part-time HE study on employees' current jobs and future career prospects

There is some evidence that part-time study leads to more demanding tasks and responsibilities and to higher-paying jobs but employers were more likely to report these developments as happening 'quite often' rather than 'very often' (Table 4.18, Parts A-B). In addition, a sizeable minority of employers (about one in four) conceded that employees could be disappointed by the lack of opportunities to make use of their new skills and knowledge in their current jobs (Table 4.18, Part C).

To some extent these mixed outcomes reflected the predominance of public sector employers in the sample, as emerged from follow-up interviews:

*[We have to take account of] equal pay rules and our job evaluation system in how we determine salary for a job..... One of the factors is knowledge and experience. Just because somebody chooses to become more skilled, or we've supported somebody to become more skilled, doesn't necessarily mean we can pay them any more money. They would have to go through some kind of internal recruitment to get promoted to the next level [F6]*

*We have a rigid salary structure linked to the civil service so there isn't any scope in that regard [F8]*

By contrast, some private sector employers were more flexible in their responses to questions about whether gaining qualifications through part-time study could lead to pay increases:

*Yes.... although, to be clear about that, we don't pay people for training and just because you qualify we don't give you a salary increase. But, by qualifying you become capable of taking on a more responsible or a bigger role, which would increase your remuneration.... It's one of our success measures; the number of positive promotions out of this group [F14]*

*We don't pay it directly based on achievement of the qualification. However, the likelihood of promotion would increase with the qualification, and one will follow the other [F2]*

**Table 4.18: Employers supporting part-time students, analysed by student qualification aim and impact of part-time study in HE on current tasks and responsibilities, skills utilisation and promotion prospects**

|   | Employers supporting HE students |                   |                 |                   |
|---|----------------------------------|-------------------|-----------------|-------------------|
| Qualification aim:  | First degree                     | Foundation degree | Higher National | HE, not specified |
|   | <i>% of employers</i>            |                   |                 |                   |
| <b>Impact of part-time study on employees:</b>  |                                  |                   |                 |                   |
| <b>A. Asked to take on more demanding tasks and responsibilities</b>  |                                  |                   |                 |                   |
| Very often  | 17                               | 11                | 16              | 12                |
| Quite often   | 47                               | 52                | 52              | 55                |
| Not very often  | 20                               | 23                | 23              | 21                |
| Not at all often  | 7                                | 5                 | 5               | 7                 |
| Don't know  | 9                                | 9                 | 4               | 5                 |
| Total   | 100                              | 100               | 100             | 100               |
| <b>B. Promoted to a higher-paying job</b>   |                                  |                   |                 |                   |
| Very often  | 13                               | 9                 | 8               | 2                 |
| Quite often   | 37                               | 41                | 49              | 31                |
| Not very often  | 32                               | 30                | 24              | 45                |
| Not at all often  | 7                                | 10                | 13              | 17                |
| Don't know  | 10                               | 10                | 5               | 5                 |
| Total   | 100                              | 100               | 100             | 100               |
| <b>C. Disappointed at the lack of opportunities to make use of their new skills and knowledge in their current jobs</b> |                                  |                   |                 |                   |
| Very often  | 5                                | 3                 | 3               | 5                 |
| Quite often   | 22                               | 18                | 15              | 24                |
| Not very often  | 42                               | 43                | 56              | 43                |
| Not at all often  | 18                               | 22                | 15              | 14                |
| Don't know  | 13                               | 15                | 12              | 14                |
| Total   | 100                              | 100               | 100             | 100               |
| <i>n</i> =  | 148                              | 79                | 75              | 42                |

Source: Employer Survey

### Support for part-time HE study versus external recruitment of HE-qualified people

Although most employers took care to state that part-time HE study doesn't automatically enhance career prospects for the individuals concerned, there were clear signs in the survey that employers appreciate the skills and knowledge possessed by employees who engage in part-time study as compared to persons with the same qualifications that they might recruit from outside their firms or organisations. This was established by asking employers to state how much they agreed with a series of statements such as:



*"It is more cost-effective to recruit [holders of HE qualifications] straight from university or /college than it is to support employees to study part-time for their degrees or qualifications"*

The proportion of employers disagreeing with this statement to some extent or strongly ranged from 41% in the case of those employing First degree students to 54% of those employing Higher National students. The proportion agreeing with the statement to any extent was as low as 13-14% of employers of Foundation degree and Higher National students (Table 4.19, Part A). Similar views emerged when survey respondents were asked to assess the cost-effectiveness of supporting employees through part-time HE study compared with recruitment of experienced graduates or other HE-qualified people on the open labour market (Table 4.19, Part B).

The implication is that, when assessing the cost-effectiveness of supporting existing employees to gain further qualifications versus external recruitment, many employers place high value on the job- and establishment-specific experience already possessed by existing employees as well as the new skills and knowledge they are expected to gain through part-time HE study. This is confirmed by employers responses regarding the following statement:

*"[Holders of HE qualifications] who gain their qualifications by studying part-time while in employment tend to have superior skills and knowledge compared to new graduates or those who gain their qualifications on full-time courses"*

The proportions of employers agreeing with this statement, either strongly or to some extent, were 52% of those employing Foundation degree students, 60% of those employing First degree students and 64% of those employing Higher National students. Only 9-16% of employers across all qualification groups expressed any disagreement with this statement (Table 4.19, Part C).

Follow-up interview questions on this topic elicited two main types of response. One group of employers was strongly in favour of supporting existing staff in part-time study as an alternative to external recruitment:

*I think it's probably more cost-effective to have our own people doing qualifications.... That is an expensive way forward because you've got the time off as well as the course. So [it might seem more cost-effective] to be taking new graduates in, but you don't always get the results with the new graduates as they are an unknown quantity [F2]*

*I would say support the existing employees. And, to be blunt, I prefer people with life skills than people coming out of university with degrees [F4]*

*It's better for me to support the ones I've got. Because they're familiar to me and I know how they work [F13]*

Another group of employers, including some of the larger establishments, preferred to have a mix of 'home-grown' graduates and externally-recruited graduates:

*It's a combination of both really. You need new blood coming in, people with new ideas from university. But by the same token we've also got to have a bit of a 'grow your own' approach as well and give internal people opportunities [F6]*

*I think there's a balance. We do recruit graduates and we do encourage employees to go through that route. Usually graduates coming in are void of experience, on the other hand people who've been in the workplace have the reality of work to take into their studies. I think there is a value from both ends, and I think you would narrow your organisation if you only went down one route [F7]*

*We do both. Because of our sophistication around talent management, we know where we have capability gaps and therefore we would see graduate recruitment as having a place in helping us fill it [F14]*

As a further statement of confidence in the merits of combining in-house experience with part-time study for HE qualifications, hardly any employers supporting part-time students were less in favour of doing so than they had been before providing support. Furthermore, one in three said that their views about supporting part-time students had become more positive over time (Table 4.20). However, there were signs of concern about the prospect of higher tuition fees, as expressed by several follow-up respondents [F1, F2, F6, F7, F10, and F11].

**Table 4.19: Employers supporting part-time students, analysed by student qualification aim and assessment of employees engaged in part-time study compared with holders of HE qualifications who studied full-time and with experienced persons available for recruitment on the open labour market**

| Qualification aim:  | Employers supporting HE students |                   |                 |                   |
|---|----------------------------------|-------------------|-----------------|-------------------|
|   | First degree                     | Foundation degree | Higher National | HE, not specified |
|   | <i>% of employers</i>            |                   |                 |                   |
| <b>Extent of employer agreement with the following statements:</b>  |                                  |                   |                 |                   |
| <b>A. "It is more cost-effective to recruit [holders of HE qualifications] straight from university/college than it is to support employees to study part-time for their degrees / qualifications"</b>  |                                  |                   |                 |                   |
| Agree strongly  | 7                                | 3                 | 4               | 5                 |
| Agree to some extent  | 17                               | 11                | 9               | 26                |
| Neither agree nor disagree  | 35                               | 38                | 33              | 31                |
| Disagree to some extent   | 27                               | 34                | 35              | 31                |
| Disagree strongly   | 14                               | 14                | 19              | 7                 |
| Total   | 100                              | 100               | 100             | 100               |
| <b>B. "It is more cost-effective to recruit experienced [holders of HE qualifications] on the labour market than it is to support employees to study part-time for their qualifications"</b>  |                                  |                   |                 |                   |
| Agree strongly  | 7                                | 8                 | 7               | 10                |
| Agree to some extent  | 15                               | 14                | 15              | 19                |
| Neither agree nor disagree  | 36                               | 42                | 31              | 43                |
| Disagree to some extent   | 31                               | 28                | 35              | 26                |
| Disagree strongly   | 11                               | 9                 | 13              | 2                 |
| Total   | 100                              | 100               | 100             | 100               |
| <b>C. "[Holders of HE qualifications] who gain their qualifications by studying part-time while in employment tend to have superior skills and knowledge compared to new graduates or those who gain their qualifications on full-time courses"</b> |                                  |                   |                 |                   |
| Agree strongly  | 38                               | 29                | 39              | 19                |
| Agree to some extent  | 22                               | 23                | 25              | 31                |
| Neither agree nor disagree  | 28                               | 39                | 20              | 40                |
| Disagree to some extent   | 9                                | 4                 | 11              | 7                 |
| Disagree strongly   | 3                                | 5                 | 5               | 2                 |
| Total   | 100                              | 100               | 100             | 100               |
| <i>n =</i>  | 148                              | 79                | 75              | 42                |

Source: Employer Survey

**Table 4.20: Employers supporting part-time students, analysed by student qualification aim and responses to questions about changes in their assessment of the benefits of part-time study**

| <b>A. 'Have your views about the benefits of employees studying part-time for HE qualifications changed in recent years?'</b> |  |                          |                        |                          |
|---|--|--------------------------|------------------------|--------------------------|
|   | <b>Employers supporting HE students</b>                                      |                          |                        |                          |
| <b>Qualification aim:</b>   | <b>First degree</b>  | <b>Foundation degree</b> | <b>Higher National</b> | <b>HE, not specified</b> |
|   | <i>% of employers</i>  |                          |                        |                          |
| More in favour  | 26   | 33                       | 21                     | 26                       |
| Less in favour  | 2  | 0                        | 1                      | 0                        |
| No change in views  | 72   | 67                       | 77                     | 74                       |
| Total   | 100  | 100                      | 100                    | 100                      |
| <i>n =</i>  | 148  | 79                       | 75                     | 42                       |
| <b>B. 'Why are you now MORE in favour of employees studying part-time?'</b>   |  |                          |                        |                          |
|   | <i>% of employers reporting themselves more in favour of part-time study</i> |                          |                        |                          |
| <b>Reasons for being more in favour of part-time study:</b>   |  |                          |                        |                          |
| Improve skills and development of staff   | 36   | 42                       | 50                     | 36                       |
| Improve the company   | 5  | 4                        | 13                     | 9                        |
| Seen that it works / is effective personally  | 31   | 19                       | 13                     | 18                       |
| They can get experience as well as a qualification  | 18   | 0                        | 25                     | 0                        |
| Improves workforce retention  | 10   | 8                        | 0                      | 0                        |
| Regulations/legislation demands it  | 3  | 12                       | 19                     | 0                        |
| Other   | 13   | 12                       | 6                      | 9                        |
| Don't know  | 0  | 8                        | 0                      | 9                        |
| No answer   | 0  | 0                        | 0                      | 18                       |
| <i>n =</i>  | 39   | 26                       | 16                     | 11                       |

Source: Employer Survey

Note: Multiple responses permitted.

### Barriers and disadvantages to supporting part-time HE study

Cost issues also arose when employers were asked about barriers and disadvantages to supporting part-time study. The most common replies related to the financial costs of course fees and the time off work that employees need for study or exams. Very few employers said there were no disadvantages at all (Table 4.21). However, as has been shown, awareness of costs relating to fees and time off work is not preventing most of these employers from offering support for part-time study.

Indeed, the fact that perceived benefits seem to outweigh disadvantages for many employers in our survey is shown by the responses of currently *non*-supportive employers when they were

asked if they expected to provide support for part-time study in the future. Seven out of ten of these employers said they did expect to do so and their expectations of the benefits included improvements in career progression staff attitudes and productivity and efficiency (Table 4.22).

Overall, the survey results paint a very promising picture of the mutual benefits which accrue from part-time HE study to employers as well as to students. However, as we have noted throughout, the employer survey sample is not typical of the broad mass of employers in its willingness to support such study. In our conclusions to this report, we discuss some possible reasons why more employers do not perceive the costs of supported study to be outweighed by the benefits in the same way as most of our survey participants do.

**Table 4.21: Employers supporting part-time students, analysed by student qualification aim and perceived barriers and disadvantages to supporting employees in part-time HE study**

| Qualification aim:  | Employers supporting HE students |                   |                 |                   | Employers not providing support to HE students |
|---|----------------------------------|-------------------|-----------------|-------------------|--|
|   | First degree                     | Foundation degree | Higher National | HE, not specified |  |
|   | <i>% of employers</i>            |                   |                 |                   |  |
| <b>Barriers and disadvantages of part-time study:</b>         |                                  |                   |                 |                   |  |
| Courses not relevant to firm/organisation                     | 2                                | 1                 | 0               | 7                 | 15   |
| Courses not relevant to jobs                                  | 5                                | 3                 | 1               | 7                 | 15   |
| Courses too expensive / not good value                        | 41                               | 35                | 32              | 36                | 15   |
| Courses take too long   | 11                               | 5                 | 4               | 24                | 15   |
| Courses not provided in flexible way                          | 3                                | 1                 | 0               | 5                 | 15   |
| Distraction from work responsibilities                        | 3                                | 5                 | 7               | 7                 | 15   |
| Employees more likely to leave firm/organisation              | 4                                | 3                 | 1               | 2                 | 15   |
| Need too much time off for study or exams                     | 39                               | 37                | 39              | 52                | 15   |
| Negative effects on relations with work colleagues            | 2                                | 3                 | 0               | 0                 | 15   |
| Easier to recruit graduates straight from university/college  | 1                                | 0                 | 0               | 0                 | 15   |
| Easier to recruit graduates on the labour market              | 0                                | 0                 | 0               | 0                 | 15   |
| Lack of motivation/commitment/self-belief on part of employee | 3                                | 3                 | 8               | 2                 | 0  |
| Distance -- colleges/universities too far away                | 4                                | 1                 | 1               | 0                 | 0  |
| Family commitments  | 1                                | 1                 | 0               | 0                 | 0  |
| Lack of previous qualifications / education                   | 1                                | 0                 | 0               | 0                 | 0  |

**Table 4.21 (continued): Employers supporting part-time students, analysed by student qualification aim and perceived barriers and disadvantages to supporting employees in part-time HE study**

| Qualification aim:  | Employers supporting HE students |                   |                 |                   | Employers <b>not</b> providing support to HE students |
|---|----------------------------------|-------------------|-----------------|-------------------|---|
|   | First degree                     | Foundation degree | Higher National | HE, not specified |   |
| No barriers or disadvantages to supporting employees to study part-time | 17                               | 24                | 27              | 10                | 0   |
| No employees interested in study of this kind                           | 0                                | 0                 | 0               | 0                 | 17  |
| None  | 3                                | 9                 | 5               | 2                 | 0   |
| Don't know  | 3                                | 3                 | 3               | 0                 | 40  |
|   |                                  |                   |                 |                   |   |
| <i>n=</i>   | 148                              | 79                | 75              | 42                | 48  |

Source: Employer Survey

Note: Multiple responses permitted. Employers were asked about employees in the two largest qualification groups supported by their organisations.

**Table 4.22: Employers NOT supporting part-time students: responses to questions about the possibility of providing such support in the future**

| <b>A. Whether they expect to provide such support in the future</b>  |                       |
|--|-----------------------|
|  | <i>% of employers</i> |
| Yes  | 71                    |
| No   | 21                    |
| Don't know   | 8                     |
|  |                       |
| Total  | 100                   |
|  |                       |
|  | <i>n = 48</i>         |
|  |                       |
| <b>B. Expected benefits of part-time study (if they are not currently providing support but expect to do so in the future)</b> |                       |
|  | <i>% of employers</i> |
| Higher productivity or efficiency  | 29                    |
| Increased staff retention  | 12                    |
| Improved staff attitudes   | 32                    |
| Improved career progression  | 41                    |
| More innovative staff  | 3                     |
| More knowledgeable staff   | 21                    |
| Better qualified staff   | 38                    |
| Other  | 6                     |
| Don't know   | 6                     |
|  |                       |
|  | <i>n = 34</i>         |

Source: Employer Survey

Note: Multiple responses permitted.

## 5. Summary and assessment

Participation in part-time HE study by people already in employment is a potentially fruitful way of increasing the supply of highly-educated people with on-the-job experience and employer-specific skills and knowledge that might be expected to be highly valued by employers. Our survey of 294 employers of part-time students on First degree, Foundation degree and Higher National courses has found that the proportion of employers who paid full fees for a majority of their student employees ranged from 40% of those employing First degree students to 47% of those with employees studying for Higher National qualifications. In total, more than three quarters of these employers provided some support for part-time study in the form of full or partial payment of course fees.

Multivariate analysis of student survey data incorporating information on employer characteristics suggests that the relatively high proportion of employers contributing to course fees is not being driven by the large share of public sector establishments in the sample. Rather, the main positive influences seem to be employer-specific in nature, such as foreign ownership and skill-intensity (proxied by the graduate share of employment). Additional analysis taking employers rather than students as the unit of analysis finds that employers are also more likely to provide fee support if they operate with a formal training plan and budget and if their interactions with universities involve research and development and the design and delivery of courses.

By contrast, the analysis suggests that links with universities for training purposes are negatively associated with fee provision which suggests that, in some firms and organisations, short courses of training provided by universities may be seen as a substitute for supporting employees to study part-time for HE qualifications. Similarly, there is evidence that, for at least some employers, active involvement in recruitment of new graduates and provision of sandwich placements for full-time university students may be a substitute for support of existing employees to study part-time in HE.

Where employers do support part-time HE study, their reasons for doing so are closely linked to organisational performance. For example, a large majority of supportive employers believe that their organisations benefit from the employees concerned becoming more knowledgeable and better equipped with job-related skills. Among other benefits, some employers also note positive contributions to productivity and efficiency, increased staff retention and improved staff attitudes and career progression.

This employer support for part-time HE study is rarely unconditional in nature. Large majorities of supportive employers stipulate that courses have to be work-related and more than half of them report that employees are obliged to pay back fees if they leave the firm or organisation before a certain time period has elapsed. This conditionality is strictest in workplaces where the initiative to undertake part-time study tends to come from the employees themselves rather than



being driven by employers. In these contexts employers may support part-time study as a means of staff development but they are anxious to ensure that the study is work-related.

A majority of part-time students in the surveyed firms and organizations were already well qualified (often to level NVQ4 or higher in the case of First degree students) and were already in managerial, professional or associate professional occupations. This may reflect a perception of higher returns to education and training if it is made available to people who have a demonstrated ability to benefit from such provision. But it could also reflect a greater self-confidence about undertaking part-time study among employees who are already well-qualified. In about seven out of ten workplaces, employers said that it was very often or quite often the case that employees initiated the idea of part-time study.

In spite of the importance of individual initiative in many firms and organisations, some employers do actively seek to encourage employees to enrol for part-time study. The proportion of employers offering 'a lot' of advice on how part-time study could affect employees' careers was as high as 42% in the case of employers of Foundation degree students and ranged from 31-35% in the other qualification groups. Internal training is also often modified to build on employees' part-time studies. The proportion of employers reporting at least some links between part-time studies and in-house training ranged from 62% of those employing First degree students to 72% of those employing Higher National students.

The survey also found evidence that part-time study often leads to more demanding tasks and responsibilities and to higher-paying jobs for the individuals concerned although employers were more likely to report these developments as happening 'quite often' rather than 'very often'. In addition, a sizeable minority of employers (about one in four) conceded that employees could be disappointed by the lack of opportunities to make use of their new skills and knowledge in their current jobs. A majority of employers reported that part-time study was frequently taken into account in staff appraisals but study achievements rarely lead automatically to pay increases. To some extent these mixed outcomes reflected the predominance of public sector employers with rigid salary structures in the sample whereas private sector employers tended to be more flexible on the question of whether gaining qualifications through part-time study could lead to pay increases.

Although most employers took care to state that part-time HE study does not automatically enhance career prospects for the individuals concerned, there were clear signs in the survey that employers appreciate the skills and knowledge possessed by employees who engage in part-time study as compared to persons with the same qualifications that they might recruit from outside their firms or organisations. Just under two thirds of employers of Higher National students agreed, strongly or to some extent, with a statement that:

*"[Holders of HE qualifications] who gain their qualifications by studying part-time while in employment tend to have superior skills and knowledge compared to new graduates or those who gain their qualifications on full-time courses"*



Similar agreement with this statement was expressed by 60% of those employing First degree students and 52% of those employing Foundation degree students. Only 9-16% of employers across all qualification groups expressed any disagreement with this statement.

As a further vote of confidence in the merits of combining in-house experience with part-time study for HE qualifications, hardly any employers supporting part-time students were less in favour of doing so than they had been before providing support. Furthermore, one in three said that their views about supporting part-time students had become more positive over time. However, there were signs of concern about the prospect of higher tuition fees.

Cost issues also arose when employers were asked about barriers and disadvantages to supporting part-time study. The most common replies related to the financial costs of course fees and the time off work that employees need for study or exams. Very few employers said there were no disadvantages at all. However, awareness of costs relating to fees and time off work had not prevented most of these employers from offering support for part-time study. Indeed, the fact that perceived benefits seem to outweigh disadvantages for many employers in our survey is shown by the responses of currently *non*-supportive employers when they were asked if they expected to provide support for part-time study in the future. Seven out of ten of these employers said they did expect to do so and their expectations of the benefits included improvements in career progression, staff attitudes and productivity and efficiency.

Several caveats about our findings need to be taken into account. The employer survey sample is not typical of the broad mass of employers in its willingness to support such study. Furthermore, public sector employers are over-represented in our sample, even when we allow for the fact that (according to Labour Force Survey data) the proportion of employees studying part-time in HE is substantially larger in public sector organisations than it is in the private sector.

Nonetheless, the very positive assessment of employees studying part-time for HE qualifications that we have found raises questions about why more employers do not perceive the costs of supported study to be outweighed by the benefits in the same way as most of our survey participants do. The likely answers are, firstly, that employers differ greatly in the extent to which they have high-level skill requirements or recognise the need for this level of skills. Secondly, employers may differ greatly in the extent to which they regard supporting employees on courses leading to formal HE qualifications as the best means of meeting their high-level skill needs. In some cases employers may prefer to rely on internal training provision or on private sector training providers rather than turn to HE institutions. In other cases employers may make use of HE providers but only for short training courses which do not necessarily lead to certification of any kind. To some extent this is borne out by the multivariate analysis described above. Future research could usefully explore employers' assessments of these different options in greater detail.

So far as policy-makers are concerned, some striking features of part-time HE study and employer support for it are the roles played by individual initiative in embarking on such study, the willingness of individuals to invest their own time in part-time study and the extent to which

such study is work-related. In this context part-time study in HE represents a valuable means of acquiring work-related skills which does not rest upon individual absence from the workplace. In other countries such as the US, where employer support for part-time study is more common than in the UK, this form of skills acquisition is also seen to contribute to greater staff retention, thus adding to the logic of employer support for it. Thus future research should also investigate the incentive structures underpinning employer support for part-time study in other countries such as the US, in order to learn more about how they compare with the UK.

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