

# The Skills Dynamics of Business and Public Service Associate Professionals

Ruth Rodgers and Rupert Waters  
KPMG

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and  
Public Service Associate Professionals*

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# 1 Executive Summary

## 1.1 Context

- This research identifies the technical and generic skills and personal attributes needed by people employed in the business and public service associate professional (BPSAP) sub-major group<sup>1</sup> and highlights the extent to which these have changed over time. The research then examines the education and training mechanisms used to develop the requisite skill-mix. In doing this it explores the suitability of the foundation degree as a potential mechanism for equipping BPSAPs with the skills needed to perform the job roles in which they are employed.
- The BPSAP group is extremely heterogeneous and incorporates a wide range of minor groups<sup>2</sup>. These minor groups all have different skill needs, entry routes and skill development strategies. However it is still possible to discern cross-cutting trends within the BPSAP group as a whole.
- In order to explore differentials in skill requirements in greater detail five BPSAP occupations were selected for analysis. These included, insurance underwriters, legal associate professionals (legal executives and barristers clerks), personnel officers (including recruitment consultants), market researchers and estate agents.

## 1.2 Employment growth and business and public service associate professionals

The business and public service occupational group is expected to experience strong growth up until 2010 (2 per cent per annum) when it is likely to represent around 6 per cent of total UK employment. Taking into account occupational effects<sup>3</sup> the group is expected to experience a 15 per cent growth between 1999-2010<sup>4</sup>, having grown by 13 percent between 1992 and 2000. It is suggested that this expected rate of growth might be slightly over stated in those industrial sectors that are continuing to experience a reduction in demand for employees e.g. banking and finance.

- Employment growth can be attributed to two main factors:
  - 1) The demand for additional employees to perform existing associate professional job roles.

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<sup>1</sup> SOC2000 sub-major group 35

<sup>2</sup> Minor groups 351-356.

<sup>3</sup> The occupational effect measures the impact of organisational and technological changes on the occupational structure of employment within the industries.

<sup>4</sup> Wilson, R. A. (ed) (2001) Projections of Qualifications and Occupations 2000 / 2001, Institute for Employment Research, University of Warwick.

- 2) The creation of new associate professional positions as a result of the reclassification of job roles. There is some evidence that certain associate professional job roles now incorporate a variety of tasks traditionally associated with other occupational classifications.

### 1.3 Skills and business and public service associate professionals

- BPSAPs require a combination of technical and generic skills and personal attributes to undertake their job roles. The relative importance of these skill categories to the job roles performed by associate professionals varies across the occupational group. The exact mix of skills required by BPSAPs is shaped by the particular characteristics of the job role. Three categories of skills combinations can be identified;
  - 1 *‘Traditional’ Associate Professionals.* These employees require a high level of technical skills with above average generic skills and well-developed personal attributes. The ability of individuals to perform their job is largely determined by the technical knowledge and skills that they possess. The majority of BPSAP occupations are positioned in this category. Traditional associate professionals include legal executives, market researchers and technical insurance underwriters. For example, legal executives, require a high level of technical knowledge in the area of law in which they specialise, good law library and research techniques, as well as high level legal report writing and fee and plea negotiation skills. However, legal executives must also possess good inter-personal and customer handling skills in order to deliver an effective service to clients.
  - 2 *‘Transitional’ Associate Professionals.* This group of employees requires an average level of technical skills. High-level generic skills and well-developed personal attributes are the key skills defining the job role. Job roles in this group are most likely to be undergoing some form of reclassification, with additional job tasks being incorporated into the job role. Examples of transitional associate professional occupations include personnel and development officers and recruitment consultants. For instance, the job role of a personnel and development officer has shifted away from being mainly associated with the administration of personnel and welfare issues towards a role which has a strategic remit. Generic and inter-personal skills are still the main skills required within the personnel officer role, however technical skills associated with employment law and strategic decision making have become increasingly vital.
  - 3 *‘Generic’ Associate Professionals.* These employees require high-level generic skills and personal attributes but relatively low levels of technical skills. The skills required for these associate professional roles are largely transferable and, as such, this range of job roles typically has lower entry requirements and higher levels of employee turnover. Estate agents, barristers clerks and sales insurance underwriters are all located in the ‘generic’ associate professional group. Interpersonal and customer handling skills are the main skills needed by employees working in these roles as the

majority of job roles are located in a 'sales' environment. For example, the main skills needed by estate agents are high level interpersonal skills, customer handling, confidence and tenacity. These are the requisite skills needed to ensure that the individual can secure a house sale. Whilst estate agents do need to be familiar with the house selling process and in some instances possess house valuation skills, these 'technical' skills are considered secondary to those generic and personal attributes needed to close a sale on a property.

#### **1.4 Changing skill needs of business and public service associate professionals**

- There have been tangible changes in the skills required to undertake BPSAP job roles. The extent of change has not been uniform across the sub-minor groups. However, in general the number of skills needed to perform the job role of a BPSAP have risen. This is largely associated with the reclassification of job roles within associate professional occupations whereby additional tasks have been added to the existing job role.
- On the whole the additional job tasks have not raised the skill level needed to perform the job role of a BPSAP. It is the mix of skills that has changed rather than the level of competency required to undertake the job role. Overall, across the sub-major group, generic and personal attributes have become progressively more important as additional business and associate professionals have moved into client facing roles.

#### **1.5 Acquiring business and public service associate professional skills**

- Employers of BPSAPs adopt a mixture of recruitment strategies in order to secure the correct skills mix; there is no dominant mechanism used to source the employees required .
- The level of educational attainment has risen across the sub-major group. Indeed, in 1992 around 30 per cent of BPSAPs held NVQ level 4 or 5 qualifications, by 2000 this figure had risen to 39 per cent. Levels of educational attainment varied considerably across the sub-minor groups with the legal associate professional group having the highest proportion of people with higher level qualifications.
- Graduates are increasingly recruited into associate professional occupations although employers rarely stipulate a degree as an entry requirement.
- The growth in the number of graduates employed in associate professional occupations has been driven largely by the increase in supply of graduates following the expansion of higher education rather than being caused by an increase in demand from employers for graduate type skills. There was no significant evidence to suggest that employers now require new entrants into associate professional positions to possess graduate type or level skills.

- There are incidences of the under-utilisation of graduate skills across the business and public service occupational group. Graduates often enter associate professional occupations as an interim measure whilst trying to secure 'graduate' employment. There is no direct evidence to suggest that graduates are getting work experience that then allows them to progress into traditional graduate roles either in the firm in which they are currently employed or elsewhere in the labour market.

## 1.6 **Developing business and public service associate professional skills**

- The majority of BPSAP employers provide training. Training is likely to be a mixture of informal on-the-job and formalised internal and external training. Employers were more likely to offer generic skills training in-house, whilst those occupations that required well-developed technical skills were more likely to use professional institutes to deliver this aspect of training.
- The extent to which professional bodies were utilised in order to develop the requisite skill-set varied across the sub-major group. In general, professional institutes were not considered key in the development of BPSAPs. On the contrary, the training offered through professional institutes was often considered of secondary importance to the informal and formal on-the-job training and experience people acquired by performing the job role. In many instances employees undertook the training offered through the appropriate professional institute of their own volition rather than because it was an option put forward by the employer.
- Professional bodies were only considered key in the development of the legal executive and personnel officer roles.

## 1.7 **Skill shortages and recruitment difficulties**

- Generally, employers of business and associate professional occupations did not note recruitment difficulties or skill shortages.
- Where recruitment difficulties arose, these were largely associated with a high level of demand for the particular skill set in the local labour market. This was particularly true amongst those BPSAPs that did not require a high level of technical skill and were employed in a sales environment e.g. estate agents, recruitment consultants and sales underwriters. The generic skills and personal attributes needed to perform these job roles are easily transferable and, as such, these occupations often have higher than average levels of employee turnover.
- Skill shortages did not appear prevalent amongst the selected BPSAP case studies. Where job roles had been reclassified there were concerns over the long term availability of technical skills. For example, the emergence of the



sales underwriter working in a client facing role has meant that the amount of technical knowledge required to perform the underwriting role has fallen. This situation may over the longer term mean that fewer people are able to move from a sales underwriting into a technical underwriting role, which may undermine the breadth of technical underwriting knowledge available across the insurance industry.

## 1.8 **Career trajectories of business and public service associate professionals**

- Employees tend to pursue careers in BPSAP occupations. This situation is particularly evident amongst the ‘traditional’ associate professional category. For example, legal executives usually enter the occupation in order to develop a career and acquire the skills they require through on the job experience and formalised training offered through the Institute for Legal Executives. Very few legal executives exit the occupation or use this route as a mechanism through which to move into a professional occupation i.e. a solicitor.
- Employees characteristically change organisations for career development but remain within the same sub-minor group. Very low proportions of employees move between occupational categories.
- BPSAP occupations with an emphasis on sales have the highest rates of industrial sector mobility e.g. recruitment consultants.

## 1.9 **The foundation degree and business and public service associate skills**

- Foundation degrees appear in theory to be capable of delivering the correct balance of technical and generic skills required by BPSAP employees. However this role is, in certain sub-minor groups, already provided through a mixture of informal on-the-job training and formalised external development, provided through the relevant professional institutes. There is some evidence of best practice in this area and if foundation degrees are to penetrate the market successfully they need to take account of what currently does and does not work in practice.
- As a mechanism for equipping students for careers as associate professionals, foundation degrees also need to position themselves in areas where professional institutes either do not exist or where they have a weak presence.
- Foundation degrees need to demonstrate that they can be used to draw through internal candidates from non-associate professional positions by ensuring that employees from lower occupational groupings develop the appropriate balance of technical and generic skills. Foundation degrees could potentially be used as a mechanism through which to stimulate occupational mobility.

## 2 Introduction

### 2.1 Context

The Skills Task Force final report 'Skills for All' highlighted the fact that a large proportion of employment growth over the last twenty-five years in the UK has been at the associate professional level. This growth meant that by 1999 the associate professional and technical occupational group<sup>5</sup> represented around 12 per cent of UK employment, or around 3 million jobs. As such, this occupational group plays a key role in providing employment opportunities in the UK labour market. It is therefore imperative that the skill requirements of the occupational group are fully understood in order that future skill needs can be anticipated and employers' demands accommodated.

This knowledge is especially important given the fact that the associate professionals group is forecast to experience considerable growth during the next decade. In fact, associate professional and technical occupations are expected to represent 14 per cent of total employment by 2010, which would make them the largest of all occupational groups. Only the professional occupational group is forecast to have faster overall growth in the 1999 to 2010 period<sup>6</sup>. Therefore, associate professional occupations are likely to play a progressively more important role in job creation throughout this period.

Employers have already reported skill shortages amongst the current supply of associate professionals. For example, the 1999 Employers' Skill Survey<sup>7</sup> found that 35 per cent of employers noted skills shortages within associate professional occupations. Indeed, the volume and density of skill shortages was highest in this occupational group. These skill shortages tend to be deep-seated and persistent and are considered to be amongst the most serious in the UK labour market. Employees with the appropriate mix of technical and generic skills are in particularly short supply. This shortage has been attributed to the falling numbers of people undertaking vocationally based associate professional qualifications such as HNDs. The continued drive to widen participation in higher education and for young people to pursue academic qualifications is expected to exacerbate this decline. New qualifications are therefore being considered in order to redress this problem, most notably the introduction of the foundation degree.

In order to bring these emerging skill shortages to an end and prevent them from becoming skill gaps or deficiencies, a full understanding of the changing nature of demand for skills across the occupational sector is required. Only by gaining an appreciation of the emerging skill requirements across the occupational group will

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<sup>5</sup> SOC Major Group 3

<sup>6</sup> Wilson, R.A. (ed) (2001) *Projections of Qualifications and Occupations 2000 / 2001*, Institute of Employment Research, University of Warwick

<sup>7</sup> DfEE (2000) *Labour Market and Skills Trends 2000*, DfEE Publications, Nottingham

it be possible to determine what educational and training mechanisms need to be deployed in order that the requisite skills are developed.

The associate professional occupational group is however extremely diverse and encompasses a considerable range of job roles which are located across the industrial spectrum. Growth rates and skill requirements therefore vary across the occupational group. Therefore, any analysis exploring this occupational group needs to be sensitive to these nuances and capture the complexities shaping future demand for these employees. With this in mind, this study concentrates on the fastest growing element of the associate professional occupation, the BPSAP group<sup>8</sup>. This group is considered particularly dynamic and important for the future prosperity of the UK labour market and as such warrants an in-depth examination.

## 2.2 Aim and objectives of the study

It is anticipated that the contribution made to total employment opportunities by the BPSAP group will continue to grow. As a consequence a thorough appreciation of the skills needed to perform the job roles contained within this group is essential in order to influence policies designed to develop the range of skills needed within the UK labour force.

The principal aim of the study was therefore to:

*‘define the skills required by business and public service associate professionals and identify how these skills are best developed.’*

The more detailed objectives of the research were to provide an assessment of:

- i) the skills needed by BPSAPs;
- ii) the extent to which these skills are being met;
- iii) the education, training and experience which most effectively develop these skills. The study also explores the suitability of the foundation degree as a mechanism to equip BPSAPs with the skills needed to carry out the tasks connected with the particular job role in which they are employed.

Within these objectives attention has also been paid to:

- a) the relative importance of technical and generic skills and combinations of these;
- b) the changing nature of jobs and hence the skills needed;

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<sup>8</sup> Sub-major group 35.

- c) the qualifications, experience and skills of new entrants to these occupations and the strategies used by employers to acquire these skills e.g. recruitment and training and development.

This research will be relevant to a wide range of audiences including National Training Organisations, Professional Bodies, the Central LSC and its local divisions, as well as universities and agencies involved in the development of education and training policies including those associated with the development of the foundation degree.

## 2.3 Business and public service associate professionals

The composition of the BPSAP occupational group and the case study occupations selected for analysis are highlighted in Table 1. It is evident that the BPSAP group is extremely heterogeneous and contains a wide range of job roles, all of which require different skill sets. The case studies chosen for in-depth analysis are considered indicative of the remainder of the occupational group in terms of skills make-up and projected level of demand.

*Table 1: The composition of the business and public service associate professional occupational group*

<b><i>Minor group</i></b>	<b><i>Job roles of minor group units</i></b>	<b><i>Case studies</i></b>
<i>351 - Transport associate professionals</i>	<i>3511-3514 - Air traffic controllers, aircraft pilots and flight engineers, ground movement controllers, ship and hovercraft officers, train and engine drivers</i>	N/A
<i>352 - Legal associate professionals</i>	<i>3520 - Legal executives, legal assistant, barristers' clerks, conveyancer, data protection officer</i>	Legal executive and barristers' clerks
<i>353 - Business and Finance Associate Professionals</i>	<i>3531-3539 – Surveyor, valuer, commodity broker, financial broker, insurance broker, stockbroker, insurance underwriter, underwriter, financial adviser, financial consultant, pension adviser, mortgage consultant, tax consultant, inspector of taxes, exporter, importer, accounting technician, financial controller, conference co-ordinator, exhibition officer, management information officer, work study engineer/officer.</i>	Insurance underwriters
<i>354 - Sales and Related Associate Professionals</i>	<i>3541-3544 – Assistant buyer, buyer, media buyer, procurement officer, manufacturing agent, salesman/woman, technical representative, account representative, commercial officer, market researcher, marketing consultant, auctioneer, estate</i>	Market Researchers  Estate Agents

	agent, land agent, letting agent.	
355 - <i>Conservation Associate Professionals</i>	3551-3552 – Conservation officer, conservationist, environmental protection officer, national park officer, countryside ranger, warden, park warden	N/A
356 – <i>Public Service and Other Associate Professionals</i>	3561- 3568 - Higher executive officer (Central Govt.), principal officer (Local Govt.), senior executive Officer (Central Govt.), personnel officer, recruitment consultant, staff trainer, technical trainer, training consultant, training officer, training instructor, careers adviser/officer, placement co-ordinator, placement inspector, gas inspector, factory inspector, trading standards officer, driving instructor, fishery officer, flight examiner, national insurance inspector, RSPCA inspector, water bailiff, health and safety officer, occupational hygienist, safety officer, authorised meat inspector, environmental health inspector, environmental health officer, public health officer.	Personnel Officers  Recruitment consultants

*Source: KPMG, 2001 derived from the Standard Occupational Classification (2000) Volume 1.*

## 2.4 Methodology

A three-staged methodology was adopted in order to explore the aims and objectives highlighted previously.

### 2.4.1 Stage 1 - Literature review

A wide range of organisations was contacted in order to identify and source literature concerning:<sup>9</sup>

- (i) Associate professional and technical occupations per se;
- (ii) The changing occupational profile of the UK labour market;
- (iii) Central government initiatives on qualifications and education policy e.g. the foundation degree.

<sup>9</sup> The detailed findings associated with this phase of the work are located in Appendix 1, ‘The Skills Dynamics of Business and Public Service Associate Professionals: Literature Review and Secondary Data Analysis.’

## 2.4.2 Stage 2 - Secondary data analysis

The Labour Force Survey<sup>10</sup> and the 1999 Employers Skill Survey<sup>11</sup> were interrogated in order to:

- (i) Determine the changing nature and demand for BPSAPs.
- (ii) Highlight the industrial distribution of BPSAP occupations.
- (iii) Illustrate the qualifications held by people employed in the business and public service occupational group.
- (iv) Explore career trajectories of people working in these occupations.
- (v) Acquire information on skill shortages within the occupation.
- (vi) Demonstrate the incidence of training across this occupational group.

Stages 1 and 2 provided 'high-level' findings on the BPSAP occupational group as a whole. In order to probe the key issues in greater depth and advance the understanding of the changing skill needs of this heterogeneous occupational group, an in-depth exploration of selected BPSAP occupations was undertaken.

## 2.4.3 Stage 3 – In-depth case-study analysis<sup>12</sup>

In order to capture the complexities associated with the changing job roles and skills of associate professional occupations, five case study occupations were selected<sup>13</sup>. These included:

- (i) 3533 – Insurance underwriters.
- (ii) 3520 – Legal associate professionals.
- (iii) 3562 – Personnel and industrial relations officers
- (iv) 3543 – Marketing associate professionals.
- (v) 3544 - Estate agents.

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<sup>10</sup> In order to achieve a longitudinal picture data were drawn from the Labour Force Survey for 1992, 1996 and 2000.

<sup>11</sup> DfEE (2000) *Labour Market and Skills Trends 2000*, DfEE Publications, Nottingham .

<sup>12</sup> See Table 1 for location of the case studies within the business and public service occupational group. The detailed case study findings can be found in Appendix 2, 'The Skills Dynamics of Business and Public Service Associate Professionals: Case Study Report'.

<sup>13</sup> Using SOC 2000 definitions.

A three-pronged approach was adopted to capture the required information. Firstly, telephone interviews were undertaken with at least ten *employers* who recruit and employ people within each of the five selected associate professional occupations. This generated insights into how and where employers source and develop the skills they require and the extent to which they consider that the skill matrices associated with these job roles have changed over time. Secondly, a mixture of focus groups and telephone interviews were undertaken with *employees* currently working in the selected occupations. This produced insights concerning ‘typical’ career histories of people employed in these occupations and the extent to which employees consider that job roles have changed. Thirdly, in-depth interviews were undertaken with key representatives of *professional bodies* with responsibility for overseeing the career development of personnel employed in these occupations.

The BPSAP occupations selected for analysis comprise a series of sub-occupations, which require disparate skill-sets and entry requirements. In order to capture the diverse nature of jobs found within the chosen case studies, they were re-categorised as follows:

- Insurance underwriters - technical and sales orientated underwriters.
- Legal associate professionals - barristers’ clerks, legal executives.
- Personnel - human resource and development officers and recruitment consultants
- Marketing associate professionals - market researchers.
- Estate Agents – residential and commercial agents.

The remainder of this report synthesises the findings of the study in order to ascertain the skills make-up of public and business service associate professional occupations and determines the routes through which employees source and develop the requisite skills. This analysis draws conclusions about the extent to which current mechanisms (e.g. recruitment and training and development strategies) for developing these skills are effective as well as estimating the role that emerging policies could play in developing the required skills mix over the longer term. In doing this, the research will assist and support a key aim emanating from the Skills Task Force; ‘to manage the post-16 education system so that we establish and maintain a sound match between skill needs and skill supply and so minimise the negative economic and social impact of skills shortages and gaps.’

### **3 The Demand for Business and Public Service Associate Professional Occupations**

Before defining the skills required by BPSAPs it is necessary to determine the manner in which the demand for this group of employees has changed over time. Consequently, this chapter examines the extent to which the demand for BPSAP occupations has changed over the past decade and identifies the reasons driving this change in demand. The chapter then addresses the likely nature of future demand for this group of employees and in doing so highlights its importance in the UK labour market over the medium to long-term.

#### **3.1 Employment growth and business and public service associate professionals**

The demand for employees working in business and public service associate occupations increased during the 1990s (*see Table 2*)<sup>14</sup>. More specifically, across England the numbers employed in the BPSAP occupations increased by 14 per cent during the 1992 to 2000 period. By 2000, the business and public service occupational group accounted for around 915,000 employees and constituted around 4 per cent of total employment.

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<sup>14</sup> Table 1 provides the composition of the various sub-minor groups that comprise the business and public service associate professional occupation.



Table 2: *Employment growth amongst business and public service associate professionals (1992-2000)*

Occupation	Count			Change		
	1992	1996	2000	1992-1996	1996-2000	1992-2000
	Thousands			%		
<i>Transport Associate Professionals</i>	48	500	49	2	-<0.5	2
<i>Legal Associate Professionals</i>	24	26	32	7	23	32
<i>Business &amp; Finance Associate Professionals</i>	236	246	266	4	8	13
<i>Sales &amp; Related Associate Professionals</i>	294	314	309	7	-2	5
<i>Public Service &amp; Other Associate Professionals</i>	203	224	259	11	15	28
<b>Total</b>	<b>806</b>	<b>860</b>	<b>915</b>	<b>7</b>	<b>6</b>	<b>14</b>

Source: Labour Force Survey

During the 1992-2000 period, demand for employees from within the BPSAP group grew at a faster rate than the 8 per cent growth found across the labour market in general. Around 110,000, additional employment opportunities were created within the group during this period.

The BPSAP group has therefore become considerably more important as a source of employment in the UK labour market. Employee growth has however been inconsistent across the occupational group, with the level of demand varying between the minor group occupations. The disparity in demand reflects the heterogeneous nature of the group and the wide range of industry sectors in which people are employed. Indeed, the demand for additional employees has been influenced by the economic trends affecting the industrial sectors in which the employees are located.

Therefore the emerging picture of employment growth amongst BPSAPs is complex. Certain occupational minor groups experienced above average

employment growth. In particular, the legal associate professional (32 per cent)<sup>15</sup> and public service and other associate professional minor groups (28 per cent)<sup>16</sup> experienced greater than average increases in the number of people employed between 1992 and 2000. Conversely, the transport associate professionals and the sales and related associate professional minor groups encountered below average growth. In order to explore the dynamics underpinning this demand, in-depth case studies were selected from across the business and public service occupational group<sup>17</sup>.

Employers were asked to indicate the extent to which the demand for a particular associate professional occupation had changed during the past five years. Table 3 shows that overall demand for associate professional employees across the case studies increased during the past five years. The scale and nature of the demand for BPSAP employees varied both between and within the occupational groups.

The case study occupations experiencing the largest increase in demand were the legal executive and recruitment consultant groups. Indeed, these two groups experienced a larger rise in demand than found across the remaining sub-groups. Additional employees were largely needed to meet the expansion in the level of business being undertaken<sup>18</sup>. Demand for legal executives also increased as a result of the fact that the job role performed by legal executives has blurred with that performed by solicitors. Cost factors, i.e. the lower wages costs associated with legal executives, have however meant that the additional work created by a rise in business demand is now more likely to be met by legal executives rather than solicitors<sup>19</sup>. The increasing number of people pursuing law at higher education establishments means that there is a ready supply of labour capable of meeting this particular demand.

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<sup>15</sup> The legal associate professional group is the smallest of the business and public service associate professional groups. This growth was therefore achieved from a low base. The number of legal associate professionals however grew by around 8,000 between 1992-2000.

<sup>16</sup> 56,000

<sup>17</sup> Table 1 indicates the location of the case study unit occupations within the minor occupational groups.

<sup>18</sup> Business expansion was the major cause of increasing employee growth across the occupational group.

<sup>19</sup> More information can be found in Chapter 3 of Appendix 2.

Table 3: The changing demand for associate professional occupations – case study evidence<sup>20</sup>

<b>Case Study Occupation</b>	<b>Large<sup>21</sup> Increase</b>	<b>Increase</b>	<b>No change</b>	<b>Decrease</b>	<b>Large Decrease</b>
<i>Insurance<sup>22</sup> underwriters</i>	✓ <sup>23</sup> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓ <sup>24</sup> <input type="checkbox"/>	<input type="checkbox"/>
<i>Legal Executives</i>	✓ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Barristers' Clerks</i>	<input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Personnel and Development</i>	<input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Recruitment Consultants</i>	✓ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Market Researchers</i>	<input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Estate Agents</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>

Source: KPMG, 2001

The estate agent occupational group was the only case study that had experienced a decline in demand for employees. Residential agency accounted for the majority of this fall with the absolute numbers of people employed in estate agency roles continuing to decline.

There was some evidence to suggest that some occupational boundaries are becoming less defined with job roles being reclassified. These trends were most evident in the insurance underwriting occupational group. Technological advances have meant that underwriting is now undertaken within new, 'sales' underwriting positions, as well as by people in a traditional, 'technical' underwriting capacity. The industry has been characterised by a considerable increase in demand for 'sales' underwriters, whilst the demand for traditional, technical underwriters has remained static or declined.

<sup>20</sup> See Table 1 for location of case studies in the sub-minor occupational groups.

<sup>21</sup> Above average increase.

<sup>22</sup> As noted, the insurance underwriting occupation has split into those people who are 'traditional' technical underwriters and a newly emerging underwriting occupation 'sales underwriter'. Both roles are however considered to be an associate professional occupation. Further discussion about the restructuring of the underwriting position can be found in Appendix 2. Growth experienced by tele-sales underwriters must be placed in the context of the wider reduction in the numbers of people employed in the insurance sector as a whole.

<sup>23</sup> Sales underwriters.

<sup>24</sup> Technical underwriters.

The key factors impacting upon the demand for employees across the business and public service occupational group are highlighted in *Table 4*. The range and extent of the impact of each of the drivers of change identified differed between and within the case study occupations but all were considered to have been instrumental in creating a change in demand. The drivers of change identified did not impact in isolation but worked simultaneously to shape the demand for employees.

A change in the demand for products or services was considered to be the main factor influencing the number of associate professional employees required. Only the personnel and development officer and legal executive occupational group did not explicitly mention business expansion to be a key factor affecting the need for employees. For the most part, business expansion resulted in an increase in demand for additional employees. This trend was most evident amongst the recruitment consultant group, which experienced a rapid growth in business demand and experienced a rise in the number of employees needed to service this growth. The changing nature of the recruitment industry i.e. away from generalist towards specialist recruitment, has also changed the type of labour used to source this need. Recruitment consultants now need to possess pertinent and in-depth knowledge of the industry for which they will be recruiting.

*Table 4: Key factors affecting the demand for associate professionals during the past five years*

<i>Case Study Grouping</i>	<b>Technological Developments</b>	<b>Drive for Efficiency</b>	<b>Regulation</b>	<b>Business Demand</b>	<b>Reclassification of Job Roles</b>
<i>Insurance underwriters</i>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>
<i>Legal Executives</i>	<input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>
<i>Barristers' Clerks</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>
<i>Personnel and Development</i>	<input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>
<i>Recruitment Consultants</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>
<i>Market Researchers</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>

<i>Estate Agents</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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*Source: KPMG, 2001*

Falling business demand unsurprisingly was accompanied by a decreasing need for employees. However, this scenario was only evident amongst the estate agency occupational group. Employers noted the current level of business demand to be below that needed to sustain the number of employees working in the sector.

A ‘drive for efficiency’ was the second most commonly cited factor thought to have shaped demand for associate professional employees over the past five years. Technological change typically facilitates this process. These factors are inextricably linked to ‘business demand’ but appeared more instrumental in actually shaping the form of demand for employees by changing the nature of the job roles people are undertaking. The impact of the drive for efficiencies, cost reduction and technological change was perhaps most evident within the insurance underwriting occupational group. In order to service the increasingly demanding consumer and remain competitive in an industry subjected to heightened competition and regulation, insurance companies have reorganised the way they underwrite their business. This process has been facilitated by the use of technology that in many instances now undertakes limited underwriting for the employees working at the customer interface. In effect, underwriting has been brought more directly into the selling process without employees necessarily needing to have high level underwriting skills.

The increased demand for legal executives was driven by an increase in business demand and a need for cost savings. The expansion in the number of legal executives has been stimulated by an increase in amount of legal work being undertaken as well as the fact that clients are demanding the cheaper provision of legal services. However, the large growth in the number of people employed as legal executives could not have occurred without the accompanying changes in law, which have allowed legal executives to undertake many of the job tasks, once only undertaken by a qualified solicitor<sup>25</sup>.

The demand for associate professional employees has also been influenced by regulation, and changing regulatory regimes. This was most noticeable in the legal executive occupation where, as noted above, changes in the law have broadened the remit that employees are allowed to work within, thus helping to raise the demand for employees.

Finally, the restructuring of working practices and job roles has been instrumental in stimulating a change in the demand for associate professionals. This trend was particularly evident across the insurance underwriting, personnel and development officer and legal executive occupational groups. In the personnel and

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<sup>25</sup> For more information see Appendix 2.

development occupational group for example, employers noted how ‘human resources and personnel’ is being restructured with the working role of personnel and development officers moving away from a traditional welfare role and towards a more strategic role. This process has been accompanied by a drive to reduce costs which has meant the removal of certain duties, either internally within the organisation to line managers or through subcontracting externally e.g. to recruitment consultants. This process has led to a reduction in the demand for employees working in a personnel officer position.

The factors influencing the changing demand for BPSAPs are multifaceted. Employment growth takes two main forms. Firstly, there is growth associated with the demand for additional employees to perform existing roles, notwithstanding the fact that these roles themselves may have changed. Secondly, employment growth has also been stimulated by the creation of new associate professional positions that have emerged as the result of the fact that the job role has been reclassified to incorporate fundamentally new tasks, the best example being the insurance underwriting job role that traditionally was concerned with technical underwriting rather than being a client facing, selling role. However, technological developments have split the job role, with each facet requiring fundamentally different skill sets and experiencing a different degree of demand for employees. Future demand for BPSAPs

### 3.2 **Looking to the future**

The available forecasts suggest that the BPSAP group is expected to display a net growth of around 26 per cent between 1999 and 2010. This growth is expected to produce an additional 363,000 jobs between 1999 and 2010<sup>26</sup>. The business and public services associate professional group is therefore predicted to have a progressively more important job creation role in the UK labour market and is expected to grow by 2 per cent per annum during this period.

Future demand for employees is not predicted to be uniform within the occupational category. Employment growth within certain occupations is expected to continue to grow at an expanding rate, whilst in others, demand for employees is expected to decrease.

- Public service and other associate professionals and legal associate professional groups are expected to experience the largest year on year rise in demand, with each group predicted to experience a 3 per cent yearly increase to 2010.
- An additional 142,000 public service and other associate professionals and 12,000 legal associate professional jobs are expected to be generated between 1999 and 2010.

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<sup>26</sup> Wilson, R.A. (ed) (2001) Projections of Qualifications and Occupations, Institute for Employment Research, University of Warwick

- The demand for transport associate professionals is forecast to decline by around 5000 jobs between 1999 and 2010.
- The sales and related associate professional occupational group is expected to have below the sub-major group average yearly growth between 1999 and 2010 (2 per cent). This growth is expected to generate around 100,000 additional employment opportunities.

These forecasts provide no indication as to why this growth is expected to arise or the reasons why growth patterns are expected to be disparate across the sub-major occupational group. In order to acquire a deeper level of understanding of the likely future impact of the BPSAP group these issues were explored in greater depth with employers, employees and professional bodies.

Taken as a whole the case studies indicated that the demand for BPSAP employees is expected to increase during the period up to 2006 (*Table 5*). Only the estate agency occupational group indicated that the demand for employees would fall. The future demand for employees is not expected to be consistent across the occupational group. Indeed, the level and intensity of predicted demand for employees varied between the associate professional occupations.

*Table 5: Future Demand for Employees Across The Associate Professional Occupation*

<b>Case Study Grouping</b>	<b>Increase</b>	<b>No change</b>	<b>Decrease</b>
<i>Insurance underwriters</i>	✓ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Legal Executives</i>	✓ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Barristers' Clerks</i>	✓ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Personnel and Development</i>	<input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>
<i>Recruitment Consultants</i>	✓ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Market Researchers</i>	✓ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Estate Agents</i>	<input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>

*Source: KPMG, 2001*

The key features of the future demand for employees within each occupation can be summarised as follows:

- The growth in demand for insurance underwriters is predicted to continue. This growth is most likely be driven by an increase in demand for people working in sales underwriting positions with the demand for technical underwriters remaining constant. The impact of additional technological developments and the level of restructuring and consolidation experienced by the insurance sector will determine the precise nature of this demand.

- The legal associate professional occupational group is expected to continue to expand at an increasing rate. Demand for employees is likely to vary across this group. The legal executive group is expected to experience the majority of this growth with barristers' clerks encountering only minimal growth. Growth in demand for legal executives will continue to be driven by the fact that this group of employees offer a cost effective alternative to solicitors and the fact that the legal sector as a whole is expected to experience an expansion in demand for services.
- The numbers employed in personnel and development officer roles is predicted to decline. This fall in demand will be a consequence of the continued outsourcing of elements of the personnel process e.g. recruitment and the growing trend towards devolving personnel issues into the remit of line managers.
- Demand for recruitment consultants is expected to continue, although the rate of demand is predicted to be lower than during the preceding period. Growth in demand is expected to be for specialist rather than generalist recruitment consultants.
- The market research associate professional occupation is expected to increase at a steady rate in line with rising business demand.
- The number of people employed in estate agency positions is expected to continue to decline, albeit at a falling rate.

Whilst future absolute growth appears probable, the degree of expected growth appears below that experienced in recent years. The only case study group likely to experience escalating growth is the legal associate professional group. The main cause of any future increase in demand for employees is liable to be the result of business expansion. However, technological, regulatory, cost and work restructuring factors and consumer requirements are all expected to play an important role in shaping the nature of this demand.

The case study evidence suggests that the rate of employment growth predicted by the forecasts might be slightly optimistic, particularly where sectors (e.g. banking and finance) are experiencing large reductions in absolute numbers employed.



## 4 Skills Needed By Business and Public Service Associate Professionals

The heterogeneous nature of the business and public service occupational group means that the range and breadth of skills required is likely to be extremely varied. Although the detailed skill requirements of individual occupations is important at the occupational level, this level of specificity is too detailed to allow a strategic assessment of the skill matrix of the occupational group as a whole. This chapter therefore aggregates the detailed occupation-specific skills into technical<sup>27</sup> skills, generic<sup>28</sup> skills and personal attributes<sup>29</sup>. By doing this, it is possible to highlight what the current skill matrix of associate professionals looks like and the extent to which this has changed over time.

### 4.1 The relative importance of technical and generic skills and personal attributes

The ‘key’ technical, generic and personal attributes of people employed in business and public associate professionals positions are listed in *Tables 6 and 7*. The composite picture is complex given the range of occupations analysed. The range of technical skills listed is multifarious with each occupation requiring a discrete range of technical skills without which employees could not undertake their daily tasks. However, there was greater commonality in the type and level of generic and personal attributes found across the case studies. For example, all the case study occupations needed customer handling and interpersonal skills as well as basic IT and literacy and numeracy. Customer handling and inter-personal skills were considered increasingly key in order that employers are able to meet the demands of the increasingly sophisticated client.

Cumulatively, BPSAP employees require a combination of technical, generic and personal attributes in order to undertake their job roles. The relative importance of these skill categories differed across the occupational group. The distribution of technical to generic skills and personal attributes found across the selected BPSAP occupations are highlighted in *Figures 1 and 2*.

Employees working in BPSAPs require high-level generic skills and well-developed personal attributes. However the level and importance of technical skills differed across the occupational group. The extent to which employees are expected to have and deploy technical skills varied not only by occupation, but also by length of service and experience within the occupational group.

Technical skills can be subdivided into two further categories. First, there are the technical skills related specifically to technical knowledge, which can be product,

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<sup>27</sup> Technical skills are those skills that are specific to the particular job role and require a certain degree of theoretical knowledge and competence.

<sup>28</sup> Generic skills are those skills, which can be transferred between occupations and sectors.

<sup>29</sup> Personal attributes (e.g. confidence, tenacity) are considered innate.

occupation or sector specific. In addition, there are those technical skills that allow employees to use and deliver this technical knowledge to consumers e.g. bespoke IT packages. BPSAPs are normally required to possess both aspects of technical skills in order to fulfil their job roles.

Table 6: The key technical skills identified as required by business and public service associate professional occupations

<i>Insurance Underwriters</i>	<i>Legal Associate Professionals</i>	<i>Personnel Officers</i>	<i>Recruitment Consultants</i>	<i>Market Researchers</i>	<i>Estate Agents</i>
Risk analysis and decision making	Technical knowledge of the Law	Theoretical knowledge of employment law etc.	Industry sector Knowledge	Research design	Property related selling skills
Ability to identify and source technical information to inform risk analysis	Law library and research techniques	Bespoke IT system skills e.g. payroll systems	Recruitment Writing skills	A range of qualitative and quantitative research techniques	Familiarity with house sale process
Bespoke underwriting statistical techniques	Legal report writing	Interviewing skills	Recruitment specific selling skills	Presentation skills	Valuation skills
Insurance policy writing	Fee and plea negotiation skills	Industry/firm specific knowledge		Data manipulation using specific IT packages	
Bespoke IT system skills	In-depth knowledge of court protocol				
Insurance specific selling skills	Clerking specific administrative skills				
High level insurance product knowledge					

Source: KPMG, 2001

Table 7: The key generic skills and personal attributes identified as required by selected business and public service associate professionals

<b>Generic Skill</b>	<b>Insurance Underwriters</b>	<b>Legal Associate Professionals</b>	<b>Personnel Officers</b>	<b>Recruitment Consultants</b>	<b>Market Researchers</b>	<b>Estate Agents</b>
Accuracy	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>
Analytical skills	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>
Creative thinking	<input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>
Customer handling	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>
Flexibility in approach	<input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
IT skills / computer literacy	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>
Mediation	<input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Negotiation skills (basic)	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>
Numeracy	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>
Organisational skills	<input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>
Problem-solving	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>
General report writing	<input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sales skills (basic)	✓ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>
Team working	✓ <input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>
Written skills / literacy	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>
<b>Personal Attributes</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Inter-personal skills	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>

Confidence	✓ <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>
Determination/Tenacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>	<input type="checkbox"/>	✓ <input type="checkbox"/>

*Source: KPMG, 2001*

The exact nature of the mix of skills required by associate professional employees is shaped by the particular characteristics of the job role which they perform. This in turn is influenced by the industrial sector in which the employee is located. However, taken as a whole, three associate professional skill combinations are evident each of which incorporates BPSAPs from varying occupational minor groups.

The skill groupings identified have the following characteristics:

- ***Skills Mix A - 'Traditional' Associate Professionals***

- The associate professional occupations located in this grouping require a *high* level of technical skills, above average generic skills and well-developed personal attributes such as interpersonal skills. The ability of individuals to perform their job role is largely determined by the technical knowledge and skills that they possess with generic and personal attributes, although important, typically being secondary in importance.
- The majority of associate professional occupations are positioned in this category. Indeed, the range and magnitude of skills found in this group are those that have traditionally been found in archetypal associate professional occupations. Examples of BPSAP occupations located in this group include legal executives, market researchers and technical insurance underwriters.
- Legal executives require in-depth technical knowledge about the area of law in which they specialise, plus a detailed understanding of legal protocol. Meanwhile market researchers need to possess research skills as well as have the ability to analyse and report upon the findings of the research undertaken. Finally, technical underwriters need to be able to assess a risk and decide upon the level of risk the particular policy poses to the firm before underwriting that risk. Technical skills and knowledge are therefore key to performing the job role. However, all three case study occupations also require employees to hold high level interpersonal and customer handling techniques in order to provide an appropriate level of customer service.

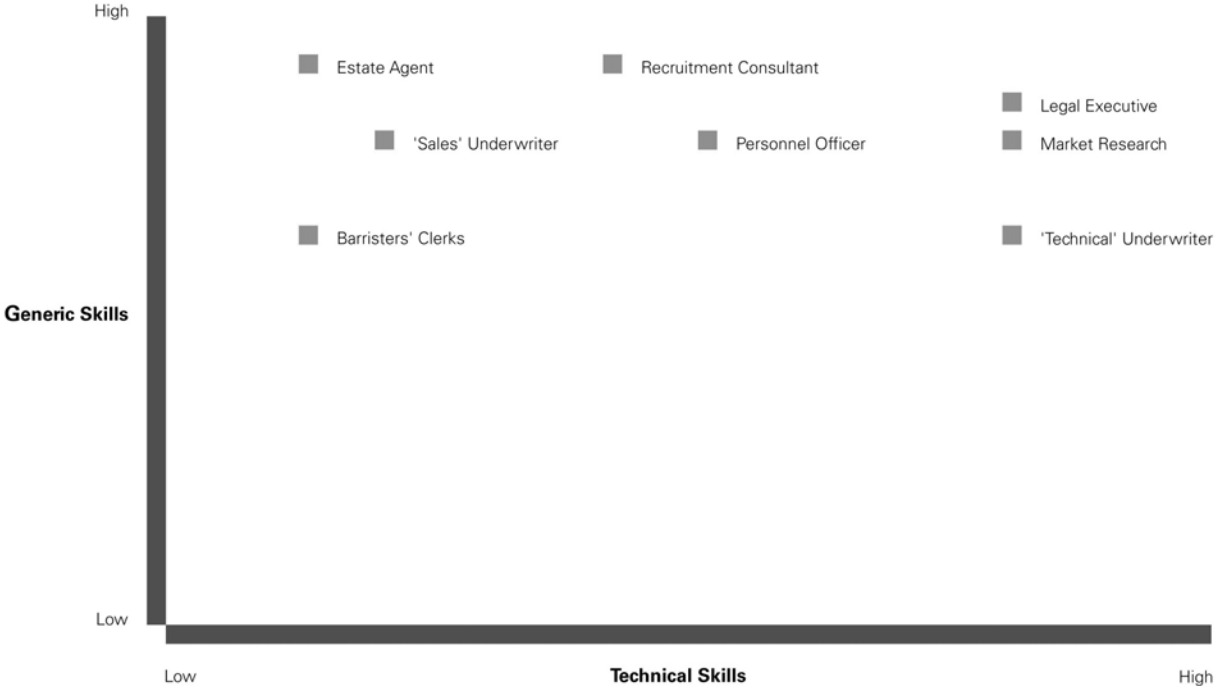
- ***Skills Mix B - 'Transitional' Associate Professionals***

- The BPSAP occupations that are situated in this category are characterised as having high-level generic skills, well-developed personal attributes and average level technical skills.
- Generic and personal attributes are the key pertinent skills shaping these occupations and determining a person's ability to perform a job

role. Technical skills are typically secondary in importance to generic and interpersonal skills. However employees do require an intermediate level of technical knowledge in order to be able to carry out their job tasks.

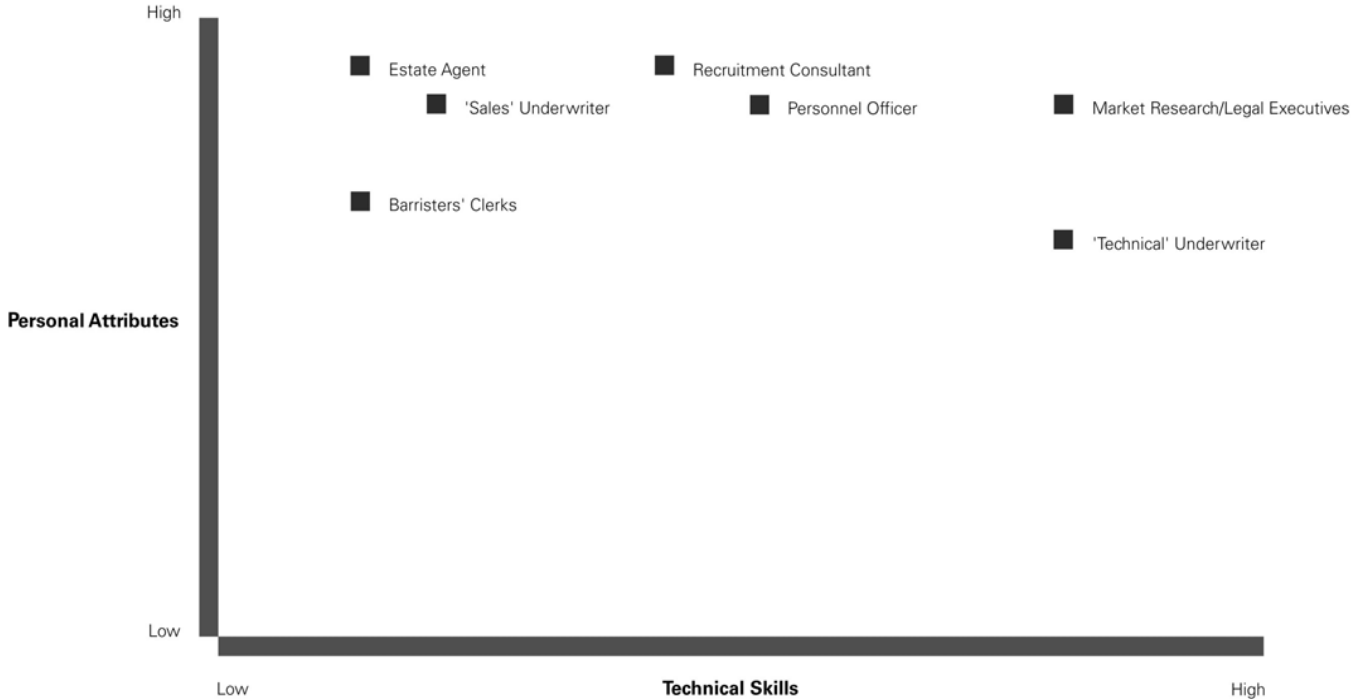
- Examples of associate professional occupations falling into this group include personnel and development officers and recruitment consultants.
  - The occupational groups located in this category are most likely to have undergone, or be undergoing, some form of reclassification of the skills needed to undertake the job role.
  - For instance, personnel officers no longer merely perform a welfare and administrative role for which few technical skills are required. Personnel officers are increasingly likely to perform a strategic function which requires the ability to undertake strategic decision making within the wider business process. In addition, the introduction of additional employment regulation means that personnel officers now need to possess and maintain higher levels of technical knowledge e.g. employment law.
  - The technical knowledge needed by recruitment consultants has also increased. The continuing shift in the recruitment consultant industry away from generalist towards specialist recruitment consultancy means that employees now need high levels of germane technical industry knowledge in order to carry out the job role more effectively.
- ***Skills Mix C - ‘Generic Associate Professionals’***
    - People employed in these positions typically require a relatively low level of technical skill and knowledge in order to perform their job roles. High levels of generic and personal attributes are the key skills required to undertake these job roles.
    - This group of associate professional occupations includes, estate agents, barristers’ clerks and ‘sales’ underwriters.
    - In the main, estate agents and sales underwriters perform a sales role and as such require the skills associated with working in a sales environment e.g. high level interpersonal and customer handling skills as well as confidence and tenacity in order to secure and close a sale. As such, technical skills, although considered useful are not essential and not fundamental to the job role.

**Figure 1**  
Distribution of technical and generic skills amongst  
business and public service associate professionals





**Figure 2**  
Distribution of technical skills and personal attributes amongst  
business and public service associate professionals



## 4.2 **Changing job roles and skill needs amongst business and public service associate professionals**

There have been tangible changes in the skills required to undertake the job role of a BPSAP. However, the degree of these modifications differed across the occupational group depending largely upon the extent to which job roles had changed. Within the case studies there was evidence of fundamental changes in the nature and number of skills required by associate professional employees as well as occupations that had been subjected to subtler, less visible skill changes.

Such disparities were even apparent within sub-minor occupations. Legal associate professionals best exemplified this trend. Whereas legal executives have experienced a noteworthy broadening of the skill mix following the widening of their job role and associated tasks, the skills associated with barristers' clerks have had only very minor modifications. Furthermore, whilst the skill adjustments affecting legal executives have in the main been connected with the technical skills required to do the job, the main skill changes affecting barristers' clerks were within the generic skill category with the technical skills required to do the job remaining constant.

On the whole, the *number* of skills associated with the role of a BPSAP has risen. The case studies provided evidence of job broadening whereby additional tasks had been incorporated into the job role across the associate professional occupational group. Indeed, all the selected occupations had experienced some degree of change in the level and range of technical, generic and interpersonal skills required.

Two distinct types of job broadening were evident. Firstly, a reclassification of the job tasks associated with the occupation so that it incorporated job tasks that were typically the remit of occupational groups from both higher and lower within the occupational classification. Secondly, where occupations experienced the introduction of tasks that were once within the remit of a higher occupational group then this was often accompanied by a rise in the number of technical skills needed to perform the job role. This trend was most evident in the legal executive occupation. However, where job roles had in effect migrated down the occupational classification, generic and interpersonal skills became more prevalent. This trend is best exemplified by the development of sales insurance underwriters.

However, the majority of case study occupations did not experience any major shifts in the skills needed to perform the job role.

The key changes in skill needs found across the BPSAP occupations are highlighted in *Table 8* and can be summarised as follows.

- Important skill shifts were found amongst the occupations that were located in 'traditional associate professional occupations' i.e. those with high technical and generic skills and well-developed personal attributes.

The level of technical skills and technical knowledge amongst the case studies in this group has tended to remain constant or rise in significance<sup>30</sup>. However, there has been a discernible rise in the degree of importance of generic and interpersonal skills. Employees need heightened customer handling skills in order that companies are able to differentiate their product/service offer in the eyes of their consumers.

- The associate professional occupations that are located in ‘transitional associate professional occupational group’ (characterised by having a high- level of generic skills and personal attributes, and average level technical skills) have experienced an increase in the importance, range and level of technical skills required to undertake the job role. Indeed, the possession and acquisition of technical knowledge has become more essential for people working in these occupations. For example, a higher level of technical, industry specific knowledge has become increasingly important for recruitment consultants. As the market has shifted towards specialist recruitment agencies, consultants are increasingly expected to possess industry specific skills in order to service this market. A similar trend is evident within the personnel and development officer occupation. As the role of a personnel officer has moved away from welfare to a more strategic role the level of business acumen required has risen. In addition, the introduction of new areas of employment law means that the range of technical knowledge required has risen. These trends suggest that as technical skills become more prevalent the skill mix of transitional associate professionals is migrating towards that of the ‘traditional associate professional group’.
- Very subtle skill and job role changes were evident amongst the case studies located in the ‘generic associate professional occupational group’. The fundamental skills and job roles undertaken by this group of employees have not changed, but remained largely static. The changes in skills that have occurred have included the introduction of additional generic skills. These supplementary generic skills tend to be associated with the introduction of basic information technology.

Taking the case study occupations as a whole, it is suggested that the level of technical knowledge required across the BPSAP group has risen. The extent to which the level of technical competency has increased differs depending upon the degree to which job roles have changed.

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<sup>30</sup> Sales underwriters are excluded from the traditional associate professional occupation and are located in the ‘general associate professional’ group.

Table 8: Changing skills requirements of selected business and public service associate professionals

Case Study Group	Technical Skills					Generic Skills					Personal Attributes				
	Large rise	Rise	Same	Fall	Large fall	Large rise	Rise	Same	Fall	Large fall	Large rise	Rise	Same	Fall	Large fall
<i>Insurance Underwriters</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Legal Executives</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Barristers' Clerks</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Personnel Officers</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Recruitment Consultants</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Market Researchers</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Estate Agents</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source: KPMG, 2001

In addition, interpersonal skills and customer handling skills have become more important across all associate professional occupations as consumers (both internal or external) demand heightened levels of service.

Employees working in associate professional level occupations require a complex mix of technical, generic and interpersonal skills in order to provide and effectively deliver a service. This is mainly achieved through a combination of technical knowledge and effective customer handling skills, coupled with the relevant personal attributes. Therefore any mechanisms designed to develop the skills of associate professionals must ensure all elements are addressed.

## 5 The Recruitment and Development of Business and Public Service Associate Professionals

This chapter presents information concerning the recruitment and development of those employed in BPSAP occupations<sup>31</sup>. It then goes on to identify the extent to which the strategies employed develop the range of technical, generic and personal skills needed to work within these occupations. By identifying the extent to which employers have experienced recruitment difficulties or internal skill gaps the chapter draws out information about the extent to which employers experience difficulties obtaining the skills they require. As part of this process the chapter explores whether the foundation degree has a role to play in helping meet emerging skill demands.

### 5.1 The nature and success of the recruitment strategies employed

Typical strategies used to source new entrants coming into BPSAP positions are shown in *Table 9*. In general, employers utilise a mixture of recruitment strategies in order to ensure that they are able to acquire personnel with the appropriate skills mix. This multi-faceted approach has meant that recruitment difficulties are not commonplace amongst employers sourcing BPSAP type skill-sets. In general, employers considered that they could acquire the skills they required from the external labour market.

*Table 9: Recruitment Strategies*

Sector	Internal	External			
		School	University	Related Work	Unrelated Work
Insurance Underwriters	○			●	
Legal Assoc Profs	○	○	○	●	○
Personnel Officers	○		○	●	
Recruitment Consultants	○		○	○	●
Market Researchers	○			○	
Estate Agents	○		●	○	●
● Most common source ○ Other sources used					

*Source: KPMG, 2001*

Where recruitment difficulties arose they tended to be in the occupational groups that were sales focused and where the key skills needed by employees were mainly generic or characterised as personal attributes. These skills are

<sup>31</sup> Detailed information about the individual case studies can be found in Appendix 2.

transferable between occupations and sectors and therefore the level of competition for labour is often high. Recruitment difficulties were most apparent in the 'sales' insurance underwriting and recruitment consultancy occupations because demand for employees was high and these sectors experience a high degree of labour turnover. In the main, employers seeking business and associate professionals did not encounter skill shortages when recruiting in the external labour market.

#### 5.1.1 External recruitment strategies

The majority of recruitment for BPSAP employees occurs in the external labour market.

External recruitment was used to source both entry level as well as higher-level labour requirements. However, employers preferred to recruit people with previous work experience who had the necessary skills rather than recruit people directly from education and develop the required skills in-house. This strategy was considered the most cost effective way of obtaining the technical and generic skills required. Employers tended not to note difficulties in attracting candidates with the appropriate skill mix needed. The only area where certain employers noted any skill shortages when drawing in skills from the external labour market was related to the quality of certain candidates' customer handling skills. This situation was most frequently reported by firms seeking to recruit sales underwriters, recruitment consultants and estate agents. In general, employers did not report difficulties obtaining technical skills in the external labour market.

Employers tend not to recruit young people directly from school into formalised trainee roles. In fact, the incidence of apprentice-type roles appears to be in decline. Traditionally, young people would have been recruited either following GCSEs or A-levels (depending upon the occupation) into trainee, typically office-junior roles, before undertaking training and development over a period of several years until they developed the requisite skills to fulfil the associate professional role. This development programme would often have consisted of shadowing more experienced staff and gaining in-post experience coupled with technical training often delivered through the professional body route. The only associate professional occupation where this was still evident was the barristers' clerks group where employees still follow a hierarchical development programme and typically have to 'serve their time' before being promoted.

Recruits to entry-level positions are therefore likely to have had previous work experience and to at least possess the generic skills required. School leavers were thought particularly unsuitable for customer facing, sales type occupations e.g. estate agency or recruitment consultancy, because employers consider they do not possess the appropriate level of generic and interpersonal skills. For example, employers recruiting estate agents noted that the industry had deliberately moved away from recruiting school leavers towards more mature candidates e.g. women returnees because these people were considered more likely to possess the appropriate level of generic and interpersonal skills.

The emergence of new job roles has influenced the recruitment strategies employed. This was perhaps most evident in the insurance underwriting role. Until recently, school leavers, typically with A-level qualifications, filled entry-level underwriting positions. Trainee underwriters would then follow a formalised trainee development programme during which they would effectively grow into the underwriting role by gaining extensive in-post experience. During this process individuals would develop the technical skills and knowledge required to fulfil the underwriting role. Promotion to more senior underwriting roles with higher levels of designated authority occurred as a result of individuals gaining in-post experience and applying high levels of technical-knowledge.

The technological developments that have re-shaped the underwriting occupation have reduced the need for entry-level underwriters to follow this type of rigorous development programme. Employers no longer need entry-level 'sales' underwriters to possess a high degree of technical knowledge. Instead, generic and interpersonal skills have become the key skills needed to perform this job role. As these skills are most effectively developed through in-post experience, employers prefer to recruit people with labour market experience. In general these employees then undergo a short induction programme that introduces them to the particular system the firm uses.

The majority of case studies noted that they recruit graduates into associate professional positions. In general, employers did not stipulate that a degree was the minimum entry requirement. Market research was the only associate professional group where a degree was the prerequisite entry requirement.

Employers however noted that graduates were more likely than previously to be employed in associate professional positions. This was the result of the fact that more graduates were applying for associate professional positions rather than employers deliberately targeting graduates in the recruitment process. This situation is most apparent in the case of legal executives where there is an increasing number of law degrees. Demand for legal executives has been rising rapidly during the past five years due to an expansion in business demand. This situation has occurred at the same time as the supply of graduates with law degrees has increased following the continued expansion of higher education. However, graduates with law degrees are finding it more difficult to secure a trainee solicitor's position because the number of trainee positions has not increased at the same rate<sup>32</sup>. Therefore a larger proportion of law graduates are entering legal executive positions in order to obtain legal experience. However, law graduates tend not to want to pursue a legal executive career but consider it to be an interim position until a trainee solicitor's position becomes available.

There is no evidence of under-utilisation of graduate skills in the legal associate profession. This is because qualified legal executives have the same level of technical knowledge as law graduates. Furthermore, employers considered that

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<sup>32</sup> A similar situation was evident because of the rise in the number of trainee barristers who could not find pupillage i.e. a trainee barrister position.



law graduates do not possess as high a level of generic skills as legal executives because they have not had the opportunity to put the legal knowledge they have acquired into practice.

Nevertheless, there is evidence of the under-utilisation of graduate skills within the associate professional occupational group. In general, graduates are employed in positions that are not considered to require graduate level skills. This trend was particularly evident in the 'sales' underwriting and recruitment consultancy occupational groups. The level of technical skills required for these occupations is relatively low and graduates are able to move in and out of these occupations relatively easily. There is no evidence to suggest that graduates are able to use this entry route as a mechanism to secure more senior positions.

### 5.1.2 **Internal recruitment strategies**

In general, internal recruitment was used to supplement external recruitment strategies and as such was considered to be of secondary importance. Internal recruits tend to move into associate professional positions following a promotion rather than merely moving on a level transfer basis. This recruitment strategy was particularly prevalent in the personnel and development officer occupation where there was a predisposition to recruit employees from the pool of personnel assistants. Other occupations where this trend was evident include the movement of field assistants into market research roles and the progression of legal secretaries into legal executive roles.

## 5.2 **Meeting skill needs through recruitment**

On the whole employers from across the occupational groups were able to source the skills needed using the external labour market. Recruitment difficulties were most likely to be evident amongst the 'generic' associate professional category. The reason for this appears twofold:

- 1 The principal skills needed to perform the job roles are highly transferable. Therefore, employees can easily move between industrial sectors in order to secure employment. The job tasks performed by people employed in these occupations are often repetitive which encourages employee turnover.
- 2 The skills used by these employees are largely associated with customer handling and customer service. These skills are often subjected to a high level of demand from a variety of industry and occupational sectors which can mean that the local labour market is tight as various employers are competing for the same pool of skills. Therefore employees looking to secure this type of employment have a wide choice of employment opportunities before and during employment.

### 5.3 Qualifications and business and public service associate professional occupations

The qualification profile of BPSAP employees changed during the 1990s (see Table 10<sup>33</sup>). In general, the level of educational attainment of employees working in associate professional occupations rose. The rise in educational attainment achieved by people employed in BPSAP positions was higher than that found within the labour market generally. Over a third of BPSAP employees now hold NVQ level 4 and 5 qualifications

Between 1992 and 2000 the proportion of BPSAPs with a degree rose from 17 to 25 per cent. This rise was higher than found in general across the labour market where the number of people with degrees rose from 10 to 13 per cent during the same period.

Table 10: Summary of highest qualifications of people employed in business and public service occupations

Qualification Level	Total Business & Public Associate Professional			Total Employment (England)		
	1992 (%) <sup>34</sup>	2000 (%)	% Change 1992-2000	1992 (%)	2000 (%)	% Change 1992-2000
NVQ Level 5 <sup>35</sup>	3	5	59	2	5	100
NVQ Level 4 (all)	26	34	31	18	21	20
Degree	17	25	47	10	13	30
Other level 4	9	9	-	8	8	-
NVQ Level 3 (all)	25	22	-15	20	16	-18
A-levels	12	13	8	6	7	16
Other level 3	13	9	-30	14	9	-36
NVQ Level 2	29	27	-5	26	32	22
Below NVQ Level 2	7	7	9	11	13	24
No Qualifications	10	3	-67	24	12	-51

Source: Labour Force Survey

Levels of educational attainment varied considerably across the business and public associate professional group. This reflects the complex array of entry routes identified earlier. For example, people employed in legal associate positions are more likely to hold higher-level (NVQ 4 and 5) qualifications than

<sup>33</sup> For further information see Appendix 1.

<sup>34</sup> Totals may not sum to 100 due to rounding.

<sup>35</sup> These figures should be treated with caution due to the low base from which they are derived.

are generally found across the occupational group. Conversely, people employed as transport associate professionals are least likely to hold any qualifications and be unqualified.

Whilst the statistical evidence suggests that people employed in associate professional occupations are becoming more qualified, it provides no indication as to why this is the case and whether it reflects a growth in demand from employers for higher-level qualifications or alternatively a growth in the supply of graduates.

#### 5.4 Entry requirements: qualifications versus experience

The case studies suggested that a range of qualifications facilitates entry into associate professional occupations (see *Table 11 and 12*). Furthermore, access into the business and associate professional group tends not to be determined solely by educational attainment. Instead, employers require recruits to possess a combination of qualifications and relevant work experience. In many instances work experience was considered more valuable than the possession of qualifications. Only employers recruiting residential estate agents did not stipulate any specific entry requirements, although this does not suggest that employees do not possess any qualifications. Entry was not determined by the possession of a particular qualification but rather the ability to demonstrate the requisite skill-set.

*Table 11: Qualifications required by associate professionals recruited from the internal labour market*

Occupation	Degree (NVQ Level 4)	Prof Quals. (NVQ Level 3 & 4)	A Levels (NVQ Level 3)	GCSEs (NVQ Level 2)	None	Experience
Estate Agents					●	○
Insurance Underwriters		○		●		○
Legal Assoc Profs				●		○
Marketing Assoc Profs	●					
Personnel Officers		○	○			●
Recruitment Consultants					○	●
● Most common response ○ Other responses						

*Source: KPMG, 2001*

Employers displayed a propensity to modify the entry requirements they required depending on the recruitment strategy they employed. In general, employers

expected employees recruited in the external labour market to demonstrate a higher level of educational attainment than those people recruited internally. The possession of professional qualifications in particular provided reassurance that employees had the required level of technical skills.

*Table 12: Qualifications required by associate professionals recruited from the external labour market*

<b>Occupation</b>	<b>Degree (NVQ Level 4)</b>	<b>Prof Quals (NVQ Level 3 &amp; 4)</b>	<b>A Levels (NVQ Level 3)</b>	<b>GCSEs (NVQ Level 2)</b>	<b>None</b>	<b>Experience</b>
Estate Agents			○	○	●	
Insurance Underwriters	○	○	○	○		●
Legal Assoc Profs	○	●	○			○
Market Researchers	●					○
Personnel Officers	○	○	○			●
Recruitment Consultants	○		○	○	○	●
● Most common response ○ Other responses						

Source: KPMG, 2001

Professional qualifications were perceived to be most relevant in the legal executive occupation. The consensus was that employees are finding it more difficult to secure promotion or move firms without having completed the Institute of Legal Executives' examinations. Employers recruiting technical insurance underwriters and personnel officers in the external labour market also indicated a preference for evidence of the attainment of professional body exams.

In general, employers demonstrated a clear preference for experience over academic qualifications. This relates to the importance of technical skills in a large number of associate professional occupations, which are best developed through practical experience. Academic qualifications as well as those offered through professional institutes are considered by employers and employees as being useful for providing new entrants with the basic technical knowledge. However on the job experience was considered more valuable in order to hone and develop the range and breadth of technical skills further. Employees confirmed this view stating that the lack of an academic or a professional body qualification did not prevent people from progressing within the occupation but to possess such qualifications would typically improve a person's perceived 'employability' in the wider labour market.

The case studies suggested that graduates are becoming increasingly common within business and public service occupations. Indeed, graduates were found

across all the case study occupations. However, employers very rarely stipulate that a degree is required to enter these occupations. The only exception being market research where a degree is required in order to enter the job role.

It is the increased supply of graduates in the labour market that is causing the number of graduates employed in these positions to rise. In addition, graduates tend not to choose a business and public service occupation as the role in which they intend to develop a career. Graduates are more likely to consider such a role as a stop-gap position until they are able to secure what they perceive to be a graduate job. There is no evidence to suggest that graduates are able to use the work experience they acquire in the associate professional role to lever themselves into a higher occupational group.

## 5.5 Training and employee development strategies

Employers by and large recognised the importance of training in developing and updating the appropriate technical and generic skills required to perform an associate professional job role. Indeed, training in some form was present across all of the case studies. However the type of training provided varied widely, ranging from brief induction to comprehensive courses offered through professional institutes.

In general, employers tended to provide employees with a mixture of informal on-the-job training and more formal internal and external training. Formalised training was least evident in ‘sales’ focused occupations such as residential estate agents and recruitment consultants, which do not require well-developed technical skills. Employees were recruited who had the appropriate personal attributes and generic skills and then learnt the practicalities whilst performing the job role.

Those occupations that required well-developed technical skills were more likely to use professional institutes to deliver this training. This scenario was especially evident in the legal executive<sup>36</sup>, personnel officer<sup>37</sup> and ‘technical’ insurance<sup>38</sup> underwriting occupations. This formalised training was considered by employers and employees to provide individuals with the theoretical knowledge that underpins the job role.

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<sup>36</sup> Institute for Legal Executives

<sup>37</sup> Chartered Institute of Personnel and Development

<sup>38</sup> Chartered Insurance Institute

Table 13: Source of training given to associate professionals

<b>Occupation</b>	<b>Formal Internal</b>	<b>Formal External</b>	<b>Informal On-the-job</b>
<i>Estate Agents</i>	○		●
<i>Technical Insurance Underwriters</i>	●	○	○
<i>Sales Insurance Underwriters</i>	●		○
<i>Legal Assoc Profs</i>	○	●	○
<i>Market Researchers</i>	●	○	○
<i>Recruitment Consultants</i>	○	○	●
<i>Personnel Officers</i>	○	●	○
● Most common response ○ Other responses			

Source: KPMG, 2001

The consensus amongst employers and employees was that on-the-job training allows individuals to apply technical knowledge in practice. Where companies do not utilise external technical skills training, these skills are typically learnt whilst performing the job function. A mixture of formal and informal training is frequently used to provide employees with the necessary generic skills required to perform the job.

In general, employers were more likely to offer generic rather than technical skills training in-house. In addition, formalised internal training courses were often induction based rather than for up-dating skills. Employees were largely expected to up-date their generic skills of their own volition. Likewise, few employers demand that employees undertake technical skills training through the professional institute route, although certain employers are more willing to facilitate this process by providing study leave.

The skills most commonly targeted by formalised internal training were people management, sales and marketing, communication, IT skills, presentation skills and general personal development. This finding relates to the fact that employers were most likely to identify that employees lacked generic skills such as customer handling and communication skills. Employers are therefore keen to ensure they redress any skill gaps in these areas in-house. Very little industry specific training was provided in house. Examples of that identified include: financial analysis for insurance underwriters and research methods for market researchers.

### 5.5.1 **The role of professional institutes in skill development**

Professional institutes play a variable role in the development of technical skills in BPSAP occupations. For certain occupations both employers and employees consider the professional institutes the key source of technical skill training. This judgment was most prevalent in the legal executive and personnel officer groups where in general the respective professional institutes were considered to provide the key theoretical knowledge by both employers and employees. Insurance underwriters were less likely to utilise the technical and development training offered through the Chartered Insurance Institute. In general, those employees that had undertaken the relevant insurance examinations indicated that they did provide valuable technical knowledge.

The only concern raised by employees that had pursued the professional institute development route was to what extent the courses offered kept abreast of wider industry and occupational changes. However, the majority of employees found the fact that this route allowed them to position this knowledge in their daily job roles extremely valuable. In addition, both employers and employees concurred that the combination of formalised technical skill training and in-post experience was effective in producing the skills-mix required by associate professional employees.

Apathy towards professional institutes was most common amongst those occupations that did not encompass high-level technical skills. Essentially, these professional institutes do not have the same level of mandate or leverage in persuading employers or employees of the relative merit of following the development programmes offered. Likewise those occupations that stipulated graduate entry, e.g. market research, did not tend to consider that these professional institutes offered a relevant development programme for associate professional employees.

## 5.6 **Meeting skill needs through training and development**

By and large employers considered that they did not experience skill gaps amongst their BPSAP employees. Indeed, employers utilised a variety of approaches to develop and up-date the requisite skills needed to perform the job role.

On the whole, employers tended to recruit employees depending upon their level of industry experience and personal attributes. The only exception was market research where new entrants require a degree. Overall, industry experience is typically used as a proxy for technical skills.

Where employers recruit inexperienced people into occupations – mainly in the form of school leavers - the required skills are typically developed through a mixture of informal in-house and formal external training. In the case of legal executives and personnel officers, this external training is often delivered by a professional institute.

Although employers did not report any evidence of deep-seated technical skill shortages there is some evidence to suggest that in certain occupations skill shortages might arise over the longer term. For example, the insurance underwriting case studies did note that the reclassification of the underwriting role to include a sales underwriting role could cause the depth and breadth of underwriting technical knowledge available in the sector to be eroded over the longer term.

## 5.7 Career trajectories of associate professional occupations

Traditionally BPSAP occupations have been characterised as having low employee turnover with employees remaining in the occupations for considerable periods of time. Indeed, traditionally this occupational group has been characterised by the number of people who entered into these jobs straight from school and who acquired the skills and competencies required through an apprenticeship-style route. The case studies have indicated that this career pathway has become less common. In addition, the apprenticeship route has become a less customary development tool for certain associate professional occupations. These changes are the result of two main factors.

- 1 Firstly, there have been changes in the supply of labour available to employers. More specifically, fewer school leavers are available to move into entry-level positions whilst the number of graduates has increased significantly.
- 2 Secondly, changing job roles have meant that this form of lengthy apprenticeship type strategy is unsuitable for developing the requisite skills-mix for certain occupations. This latter comment does not tend to apply as frequently in those associate professional occupations that demand high level technical skills e.g. legal executives and personnel and development officers.

In general, individuals pursue careers in associate professional occupations. This was particularly true in those associate professional occupations that involve high-level technical skills, which are developed through a combination of in-post experience and professional development. Employees tend to move companies for career development and promotion purposes. In general, these individuals do not move employers until they have developed the skill set required to fulfil the job role. These individuals then typically move in order to take more senior roles within the same occupational group. Very few trained legal executives, personnel officers or technical underwriters leave the occupation. This is particularly true for those individuals that had pursued the professional institute development route.

People entering residential estate agency, 'sales' underwriting and recruitment consultants were less likely to pursue a career in these occupations (*Table 14*). These occupations are characterised as requiring interpersonal and generic skills rather than technical skills, which are easily transferable between sectors and occupations. Employee turnover was particularly high in all these groups and endemic in the case of recruitment consultants. Employees working in these sales-type occupations tend to move employers regardless of the industry sector or



occupational group and do not necessarily have a strong sense of commitment to the occupation. Furthermore, employees move employers usually for remunerative purposes with these moves largely to job roles that are at a similar level

Table 14: Destination of staff on leaving the organisation

<i>Occupational Group</i>	<b>Stay in Occupation /Industry</b>	<b>Other Work</b>
<i>Estate Agents</i>	○	●
<i>Technical Insurance Underwriters</i>	●	○
<i>Sales Insurance Underwriters</i>	○	●
<i>Legal Assoc Profs</i>	●	
<i>Marketing Research</i>	●	○
<i>Personnel Officers</i>	●	
<i>Recruitment Consultants</i>	○	●
● Most common response ○ Other responses		

Source: KPMG, 2001

There was some evidence of certain associate professionals being able to progress up the occupational hierarchy. For example, there is evidence that personnel and development officers progress through to personnel managers and take on a much more strategic role. Table 15 lists the additional skills required by people to allow them to progress into a management or professional role. In general, employees need to have demonstrated a high degree of competency and experience in the required associate professional skill-mix. In addition, they need to be able to demonstrate the ability to place their current skills within the wider business context. More specifically, employees need to demonstrate management abilities in managing budgets, people and clients and using their acquired technical and generic knowledge in a business-planning context. This option was not available to all associate professional occupations. This was most noticeable for legal executives where few people choose to take the solicitor examinations in order to move into this role.

Table 15: Skills Needed for Internal Progression

<b>Occupation</b>	<b>Experience</b>	<b>Management</b>	<b>Business/Strategic Acumen</b>	<b>Sales Ability</b>	<b>Client Skills</b>
<i>Estate Agents</i>	○	●		○	
<i>Insurance Underwriters</i>	○	●			
<i>Legal Assoc Profs</i>	●				
<i>Market Research</i>	○	●		○	○
<i>Personnel Officers</i>	○		●		
<i>Recruitment Consultants</i>				●	
● Most common response ○ Other responses					

Source: KPMG, 2001

## 5.8 Foundation degrees and associate professional occupations

Announced in February 2000, foundation degrees aim to educate students to a level where they can enter the workforce as technicians or associate professionals<sup>39</sup>. It is expected that the majority of students will already be in work, the foundation degree represents an opportunity for students to develop their technical and generic skills. Many foundation degree courses will offer a substantial element of work based learning relevant to the subject areas. Where students are already in work this is likely to be offered through their existing employers, although work placement opportunities will be available where students are not already employed. The direct involvement of employers in the foundation degree should resolve any clash with their existing on-the-job training. Foundation degrees will build on the reputation of existing vocational qualifications such as the HND

Employer involvement is a key feature of the foundation degree, both in identifying job specific and generic skills gaps. Professional bodies will be involved in foundation degrees to ensure the relevant assessment criteria and standards for the subject area are incorporated into the programme.

The design of the foundation degree meets recommendations made by the National Skills Task Force to develop a two-year vocational associate degree qualification that focuses on developing broader transferable skills and capabilities. It is intended that on completion of a foundation degree students will be able to enter work at the associate professional level with the appropriate skills to meet the employers' and sectors' needs. Whether the foundation degree meets its goals will depend largely on three factors;

- The truly vocational nature of the course and employer involvement.

<sup>39</sup> Further details can found in Appendix I

- The currency of the foundation degree to employers and students as a standalone, first choice option.
- The numbers of students who enter work following completion of a foundation degree and do not want to continue straight into an honours degree.

The three factors largely follow from one another. If the employers have 'bought-in' to the foundation degree and the courses are sufficiently vocational and skills-based, they are more likely to gain the credibility necessary for students to take them as a 'first option' rather than as a 'clearing choice'. If this is not the case then there is the possibility that students will take the foundation degree as a stepping-stone onto an honours degree. Such an outcome may meet the aims of the lifelong learning agenda but will not meet the aim of training people to be ready for work in associate professional occupations.

The reaction to foundation degrees from employers was cautious across the case studies. It is possible that this caution is a reflection of employer uncertainty about what foundation degrees are and what they entail, rather than being a rejection of the idea in principle. The reaction of employers is in keeping with the perception that there are no widespread skills deficiencies in new recruits or a shortage of recruits. Where the types of skills that could be targeted by foundation degrees were identified as being in short supply, the need was for generic rather than technical skills development. For example a need for better communication skills, including written skills, was reported across the case studies.

When questioned, employers showed a satisfaction with the current situation whereby they recruited staff and gave them the training necessary to fit into their organisation as long as those recruited had the right personal attributes. Employers accepted the need to give training to new recruits and felt that on-the-job training gave staff the right exposure to the work they would be doing. It was felt that foundation degrees could not offer the same understanding of the company specific cultures that existed for associate professional occupations as on-the-job training. There was also a feeling that foundation degrees may duplicate the qualifications currently offered by the institutes; where work is accompanied by study so that technical knowledge is put into immediate practical context. This method is very similar to that offered to people following the ILEX or CIPD development route and which has found favour within the occupations concerned. Familiarisation and the involvement of employers in foundation degrees may help to overcome these reservations.

Beyond these general trends, the response to foundation degrees was highly differentiated by case study. They were most enthusiastically received by insurance underwriters and conversely were seen as unnecessary by employers recruiting market researchers where an honours degree is already required. However, doubts concerning the ability of foundation degrees to deliver work-

ready graduates may be overcome once foundation degree graduates enter the workforce.

The development of the skills and knowledge addressed in the foundation degree curricula are to be carried out in conjunction with employers, in order that foundation degrees achieve recognition from both employers and professional bodies. The curricula are to incorporate technical and work specific skills as well as generic skills such as communication, team working, problem-solving and IT.

Employer comments relating to company specific knowledge dictate that foundation degrees will be most warmly received where the student is already in the employment of their employer. Foundation degrees may however encounter tension due to the existing system of on-the-job training used by employers to develop associate professional skills.

Furthermore, when recruiting, employers had a preference for experienced employees. It is unlikely that foundation degree students entering the course on their own initiative who then have been found placements will have the same range of skills as associate professionals who have followed the current route to competence, although the works based aspect of the courses should help to overcome this.

The balance of technical and generic skills needed in associate professional occupations means that staff recruited to these positions need to reflect these skill requirements. The current situation is not uniform. However the prevailing situation is for there to be a period of on-the-job training at the start of a career in such a position, followed in some cases by part-time study towards institute examinations. The curricula of the foundation degree are likely to match the generic and technical balance needed to perform the jobs. Indeed, the generic skill requirements highlighted by the case studies, such as communication and IT skills are identified as core areas by HEFCE's foundation degree prospectus.

Employers in the case studies prioritised work experience as the key entry requirement for associate professionals. The combination of work and study found within foundation degrees implies that students should be work ready on completion of the course having combined classroom study with work experience. Given the importance of experience, foundation degrees are not likely to be well received by those already working as associate professionals, although they would appear to be a useful avenue for those in work who wish to move into associate professional occupations, especially where such a move can be accomplished with their current employers. Foundation degrees may therefore provide a route into associate professional occupations for those people currently in lower position job roles, individuals having acquired the requisite knowledge and applied these skills in the work place.

There are different methods of achieving the work experience and the applicability of the qualification may be dependant on the route taken. The

foundation degree is likely to be most relevant to employers' needs where it most closely follows the approach taken by the professional Institute's development programmes whereby study is undertaken while employees perform their job role with their existing employers<sup>40</sup>. It is also possible for students to demonstrate their skills by reference to prior employment in the same occupational area as the subject being studied, or where an individual has no experience of work the foundation degree provider will need to secure an appropriate work placement. Given the company specific nature of associate professional occupations, these routes are likely to be no more effective in meeting individual employers' skill requirements than the current methods employed.

To conclude, it is suggested that foundation degrees are likely to have relevance in equipping students for work in associate professionals occupations where a satisfactory work environment can be coupled to study. Indeed, it is suggested that foundation degrees have the capability of providing associate professionals with the combination of technical and generic skills required to perform their job role. However, foundation degrees are likely to encounter competition from the professional institute development route that has in certain exemplars of best practice been performing the role now proposed by the foundation degree.

Consequently, the foundation degree has two discrete markets and thus two challenges to address:

- 1 Foundation degrees need to position themselves as a key mechanism for equipping associate professionals with the appropriate skills-mix in the associate professional occupations where professional institutes do not exist or where they have a weak presence. Foundation degrees need to demonstrate that they can be used to draw through internal candidates from lower level positions by ensuring they develop the appropriate balance of technical and generic skills.
- 2 Foundation degrees should also by their very nature play a role in developing associate professionals in those occupations where the professional institutes already have a strong brand and leverage. Indeed, the delivery of the foundation degree could be positively influenced by an analysis of which aspects of the professional institute route are most effective, and equally which aspects are not effective.

As yet not enough information is known about the effectiveness of professional institutes across the associate professional occupation to make firm conclusions. Further work is therefore needed which explores this role in further depth. At this stage it is possible to say that in theory foundation degrees do appear to offer a mechanism through which to develop the variety of skill-mixes required across the associate professional occupation. Great uncertainty remains as to how and if foundation degrees will be able to deliver upon this promise. An evaluation of the

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<sup>40</sup> It is possible to pursue the professional qualifications offered at most professional institutes whilst not in employment. This route is less common and considered less beneficial to an individual's development.

impact of foundation degrees is clearly essential before an assessment can be made as to the ability of this development tool to meet its objectives.

Appendix 1  
The Skills Dynamics of Business and Public  
Service Associate Professionals: Literature  
Review and Secondary Data Analysis

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# 1 Introduction: setting the base-line

This document provides the context through which to explore the changing demand for and skill requirements of associate professional occupations. It sets the scene in two ways.

Firstly, it presents an assessment of the current literature concerning associate professional occupations and highlights the fact that very little work to date has explicitly assessed the demand for, and skills associated with, this occupational group. Research specifically considering associate professionals was found to be almost non-existent. Indeed, previous work concerning associate professionals has usually been considered as part of a wider labour market study, for example in the context of intermediate occupations. In addition, the document highlights current central government policy initiatives associated with developing associate professional level skills and explores the concept of the foundation degree in particular<sup>1</sup>.

Secondly, this paper mines secondary data in order to obtain a base-line picture of the changing structure of the associate professional occupations and the extent to which the educational attainment and career trajectories of people employed in this occupational group have changed over time. Given the diverse nature of the associate professional group and the differentials in expected future employment growth the analysis concentrates upon the occupational group expected to experience the greatest increase in growth; *business and public service associate professionals* (sub major group 35)<sup>2</sup>.

## 1.1 Defining associate professional occupations

During the course of the literature review it became apparent that the term associate professional is confusing and has various connotations to different audiences. This is not surprising given the large number of diverse minor groups that make up the associate professional occupational group and the fact that this group has recently been subject to change. The most recent definition of associate professionals<sup>3</sup> is that proffered by the revised Standard Occupational Classification 2000<sup>4</sup> (ONS, 2000) that states that:

‘[The major group Associate Professional and Technical Occupations] covers occupations whose main tasks require experience and knowledge of principles and practices necessary to assume operational responsibility and to give technical support to Professionals in the natural sciences,

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<sup>1</sup> The organisations contacted to acquire this literature are listed at the rear of this appendix in annex I.

<sup>2</sup> SOC 2000

<sup>3</sup> See Annex II for a breakdown of the major group, including sub-major and minor groups and units.

<sup>4</sup> This definition is the one adopted for the purpose of this study.

humanities and related fields and to Managers and Senior Officials.

The main tasks involve the operation and maintenance of complex equipment; legal, financial and design services; the provision of information technology services; providing skilled support to health and social care professionals; and serving in protective service occupations. Culture, media and sports occupations are also included in this major group. Most occupations in this major group will have an associated high-level vocational qualification, often involving a substantial period of full-time training or further study. Some additional task-related training is usually provided through a formal period of induction’.

The associate professional and technical occupations also sit within the larger ‘*intermediate skills*’ category. This situation adds to the confusion, as there appears to be no universally agreed definition of an intermediately skilled occupation. Rather this group of employees appears to be identified through a consideration of the education and skill requirements for entry and by the standing, income and technical knowledge associated with them<sup>5</sup>. Associate professionals usually have higher educational attainment than the rest of the intermediate grouping, so that while they are included in the intermediate skills category, they tend to display an atypical qualification attainment.

### 1.1.1 **Intermediate level occupations**

On the whole intermediate level occupations are characterised as:

- Needing a considerable amount of job-related training, or an equivalent time spent gaining experience of the work involved.
- Requiring some formal qualifications at entry. These requirements are typically below the level of a higher education award.
- Falling between skill level 4, occupations requiring a degree or equivalent for competent performance and level 2, occupations typically requiring vocational qualifications usually no higher than NVQ2.
- These occupations therefore require advanced but sub-degree level vocational education and training.

However, the intermediate skilled occupational group is not homogenous. Accordingly, the literature suggests that there has been a marked difference in employment growth and emerging skill requirements by occupation within the grouping. This has led commentators such as Lloyd & Steadman, (1998, 18) to

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<sup>5</sup> See Elias and Bynner, 1997.

argue that overall ‘there is no one way that skill levels are changing, rather jobs are evolving and developing in different directions’.

The most pertinent findings that emerge from across the literature relating to intermediate level occupations are that:

- There has been a split within the intermediate skill occupational group between craft and non-craft occupations<sup>6</sup>. These occupational sub-groups have undergone a diverse range of skill changes shaped by the nature of the various job roles.
- The growing professionalism of the workforce has seen a shift within the intermediate level occupations from craft to associate professional employment (Skills Task Force, 2000b). This has meant that during the past 15 years there has been a rapid growth in demand for non-manual intermediate skills with a corresponding decline in manual intermediate level positions. Indeed most of the employment growth in intermediate skills has been accounted for by growth in associate professional occupations whilst employment in craft and technician type jobs has fallen (Skills Task Force, 2000a, 26).
- As a consequence of this employment dynamic ‘upward occupational changes’ have been evident. In particular clerical occupations have moved into intermediate non-craft jobs whilst industrial and plant operatives have moved into intermediate craft occupations. There have also been downwards movements from, for example, skilled engineering trades to the ‘industrial and plant operatives’ group.

Reviewing the literature reveals that the majority of research into changing intermediate level skills has concentrated on the craft occupations, particularly in reference to the impact of computerisation on skills, especially in the engineering sector (Lloyd & Steadman, 1998). Very little work has been undertaken which considers the changes in skill levels within the non-craft intermediate level occupations, which includes the associate professional qualifications. That which has taken place has tended to concentrate on highlighting how females working in the financial services sector have dominated the growth in intermediate non-craft occupations.

## 1.2 **Occupational mobility**

The contemporary workforce needs to be flexible in order to respond to changing demands for skills. Greater occupational mobility, as one aspect of labour market flexibility is consistent with this trend. Occupational immobility, however, is not unusual, and for those who do succeed in switching between occupations it is

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<sup>6</sup> See for example Lloyd & Steadman, 1998.

apparent that there are some significant barriers to movement, which constrain the response to market signals, such as wage rates.

Tompkins & Twomey (2000) argue that a consistent feature of the results of their survey of UK occupational mobility is the constraint upon occupational movement imposed by qualification requirements. Growth in the demand for knowledge workers with highly occupation specific education and training would tend to suggest that greater qualifications barriers are likely to arise in the future.

Taking the case of the high technology industry, McGovern (1996) states that the strength of the linkage between entry into a technical position and qualification is such that it can be argued that technicians or engineers are now qualification-based occupations. This situation has given rise, particularly amongst technicians, to an escalation of standards with firms being the passive recipients of improved labour supply. In addition, McGovern noted that the reputation of firms provides them with competitive advantage in the labour market. For example, multinational corporations receive applications from graduates due to their prestige for positions, which are often usually for non-graduate positions, so that 'elite employers have the greatest opportunity to hire the most qualified' (1996, 69).

Johnson & Johnson (2000) meanwhile demonstrate that over qualification is negatively related to job satisfaction, and is variable by the degree of over qualification. Over qualification is likely to result in enhanced job mobility. This mobility may not lead to improved job matching however as workers may either simply move from one state of over education to another or fail to hold onto the progress they make. Sloane *et al* (1999) demonstrated this by showing that the overeducated tend to be either stuck in a secondary sector with little chance of truly escaping over education. However, it must be remembered that over education of staff, in terms of qualifications does not necessarily imply an excess of human capital, since greater formal education is associated with lower experience, tenure and training.

Research undertaken on the financial services, a sector with a traditionally large number of intermediate workers, has highlighted the fact that there has been a major shift in recruitment away from hiring school leavers towards recruiting graduates in order to source emerging skill requirements. Similarly, the Skills Task Force (2000a) reported how changes within the industrial and occupational structure of the UK economy has meant that in certain areas job matching difficulties are arising as those people with traditional craft level skills find it increasingly difficult to utilise their skills.

The lack of applicants with the appropriate technical and associate professional qualifications has meant that employers have had to source this type of labour from alternative sources and seem to be moving towards recruiting graduates. This situation has in part contributed to complaints from employers that graduate recruits do not have the appropriate technical and commercial skills they require. Within the intermediate occupations the evidence appears to suggest a problem of

job-matching between supply and demand and in the quality and quantity of training provided. Lloyd & Steadman (1998, 19) would not concur with this view stating that there is no 'overwhelming evidence' of shortage of labour, with the exception of the health service and IT areas. Instead they suggest that the main issue is whether the current mix of skills, specifically the use of greater numbers of graduates and large numbers of unskilled / semi-skilled workers, is appropriate to the policy aims of a high skill, knowledge based economy.

The level of educational attainment achieved by people employed in associate professional occupations has risen over time. This growth has coincided with the expansion of higher education throughout the 1990s, which has meant that people who would have once developed a career in these positions are more likely to have pursued higher education and as such the supply of graduate labour has risen. There has been a significant rise in the proportion of people with first degrees amongst associate professional employees. In 1992 around 17 per cent of employees noted that their highest qualification was a first degree, by 2000 this figure had risen to 21 per cent. Correspondingly, the proportion of associate professionals with no qualifications has fallen.

### **1.3 Skills shortages and associate professional and technical occupations**

Green *et al* (1998) analysed employers' perceptions of skill shortages in order to assess their true nature. Their research included disaggregating occupations into SOC classes. Of the 138 firms surveyed who employed associate professional and technical staff, 14.5 per cent identified the presence of skill shortages. This figure was lower than any other occupational class, except professional (10.8 per cent) and was equal to the figure for clerical and secretarial classes.

The most commonly identified skill shortages included an inability to work with little supervision (cited by 17.7 per cent of firms identifying the presence of skill shortages), a lack of work experience (18.7 per cent), an inability to get on with others (19.1 per cent), a lack of interpersonal skills (20.1 per cent), a lack of creativity / originality (39.0 per cent) and a lack of commercial and business awareness (55.1 per cent).

The research stressed that employers' experience of skills shortages overlaps only partially with either the experience of hard-to-fill vacancies or skills gaps in the workforce. This research also found mixed support for the hypothesis that skill gaps are more likely to occur in the case of those skills for which there is said to be an expanding demand. While communication and interpersonal skills were the most reported gaps, overall non-manual workers whose skills are typically to be in increasing demand had comparatively few perceived skill gaps.

Other findings of note include the fact that whilst insufficient work experience was cited by half of the respondents claiming a skills shortage only a third cited inadequate qualifications. Additionally, skill shortages were largely regarded as a

recruitment issue as amongst a large number of those employers with a skill shortage but no hard-to-fill vacancy, no recruitment had been attempted, either internally or externally, in the previous year. These findings would perhaps suggest that formal qualifications might be less important than other factors such as experience.

Other research found that qualifications remain particularly important amongst the professional, associate professional and technical occupations with qualifications remaining crucial determinants of employability' (Shackleton, 1997, McGovern, 1996). For example, Robinson (1996) found that 94 per cent of companies noted that they sought qualifications when appointing to associate professional and technical occupations which was greater than the 86 per cent of firms who preferred experience when recruiting.

This evidence would suggest that the possession of appropriate qualifications rather than merely experience still determines entry to associate professional occupations.

#### 1.4 **Levels of educational attainment**

The level of qualifications held by the British workforce has risen sharply since the 1980s (Keep & Mayhew, 1999). As a result the proportion with no qualifications has fallen from 40 per cent in 1984 to around 16 per cent by 2000. This can be taken as evidence of the expansion in the supply of formally qualified labour. It has been suggested that as a consequence of this an increasing number of workers are formally *overqualified* for the work they do. For example, Sloane *et al* (1999) estimate the figure to be as high as 30 per cent, with women and ethnic minorities being particularly affected.

In 1981 over 60 per cent of graduates in the labour market were in professional jobs. By 1998 this had fallen to less than 50 per cent with an associated rise in graduate penetration into managerial and associate professional occupations. By 2009 it is anticipated that around 27 per cent of associate professionals will be graduates (Skills Task Force, 2000b).

This growth of graduate associate professionals has been attributed to the demise of traditional vocational routes and the growth of new jobs in these occupations biased towards graduate-level entry, such as in business services and IT (Skills Task Force, 2000b). The entry of graduates into these labour markets has raised concerns over their lack of work experience, commercial understanding and generic skills (Skills Task Force, 2000b).

Over 50 per cent of 21 year olds have level 3 qualifications, although 60 per cent do so through gaining two A-Levels (Skills Task Force, 2000a). Consequently, whilst the UK has produced more young individuals with intermediate qualifications since the late 1980's than in any previous period, these qualifications are overwhelmingly academic. The proportion of young people

acquiring vocational qualifications has remained low with very little growth (Lloyd & Steadman, 1998). As a result, the UK's European competitors continue to have considerably greater stocks of intermediate qualifications than the UK.

Additionally there are falling numbers taking traditional associate professional and technician level qualifications, for example the number of registrations with Edexcel for HNC and HND courses in engineering, technology and manufacturing had fallen by 40 per cent since 1989 / 90 (Skills Task Force, 2000a, 27). While there has been growth in associate professional and technical occupations in the last twenty years the supply of newly qualified individuals has hardly increased during the same period, with the result that firms have substituted individuals with general academic qualifications (Lloyd & Steadman, 1998).

As such associate professional and technical skills are already considered by employers to be in short supply, with demand set to grow as the importance of non-manual occupations increases (Skills Task Force, 2000a). Despite the increased use of graduates in associate professional and technical occupations there are concerns over their quality. Science and engineering graduates may not have the full range of skills needed for jobs that require flexibility and awareness of the world of work (DTI, 2000). There is government intention to ensure that the UK's skills base is geared to the needs of the knowledge economy by ensuring the National Curriculum better prepares young people for work and aiming to improve the employability of students in higher education (DTI, 1998). Accordingly, policy changes have been introduced to ensure that the labour market contains the appropriate skills to ensure the competitiveness of the UK's economy over the long term. The foundation degree is one such response to this demand.

## 1.5 **Foundation degrees**

The foundation degree was announced in February 2000. It is envisaged that this new qualification will respond to the skills needs produced by the advent of the knowledge economy by equipping students with the combination of technical skills, academic knowledge and transferable skills that employers are increasingly demanding (HEFCE, 2000). As such this new higher education qualification will encompass a combination of technical, academic and transferable skills and play a 'vital role' in meeting the rising labour market needs for associate professional qualifications (HEFCE, 2000).

The foundation degree fits into the wider post-16 education environment where the main thrust of policy is to 'promote employability for individuals by equipping them with skills in demand in the labour market' (DfEE, 1999) prioritising vocational skills so that education provides skills that are usable in the workplace.

Foundation degrees are specifically intended to meet intermediate skills needs across all sectors of the economy (HEFCE, 2000). It is expected that the majority of participants will be already in work and will be taking the opportunity to develop their skills further by studying for a foundation degree, with work placements offered for less experienced students so that a knowledge of work is acquired before course completion to make the skills learnt as applicable as possible. On completion of the foundation degree students are provided with the option of progression to an honours degree after an additional 1.3 years FTE study, although it is anticipated that many foundation degree graduates will wish either to enter employment or to remain in work. There are concerns that the possibility of progressing from the foundation degree to an honours degree risks the dilution of the benefit of the programme (CVCP, 2000), given the anticipated rate of transfer. However, it is hoped that foundation degrees will be seen as respected qualifications in their own right, so minimising the risk of them being viewed as a stepping stone to an honours degree.

Employer involvement is a key feature of the new qualification and the design of foundation degrees relies on input from employers in identifying where both job-specific and generic skills gaps lie. Foundation degree courses will offer a large amount of work-based learning relevant to the subject area. If individuals are already employed then this is likely to be offered through their existing employer. Alternatively, local employers will be consulted regarding the offer of work placement opportunities. The work based learning element may be managed and assessed by an academic individual, a dedicated employee within the workplace or a combination of both.

The driving factors in establishing the foundation degrees were to meet the needs of the economy and to expand provision for lifelong learning. In particular this followed discussions with employers about, amongst other things graduate apprenticeships. The aim of the foundation degree is to educate more people to a level where they can enter the workforce as a technician or associate professional in expanding sectors of the economy, for example IT, finance and the creative industries. The foundation degree is also designed to provide a flexible programme of study that people can work through at various stages of their life.

#### 1.5.1 **Foundation degrees in the qualifications framework**

The new HE qualifications framework for England, Wales and Northern Ireland places foundation degrees in level two of the three undergraduate levels. The 'level' is the 'complexity of learning associated with a body of knowledge, understanding and skills.' In higher education, this is calibrated by reference to proximity to the forefront of current knowledge in a discipline' (QAA). Table 1 illustrates the QAA framework for higher education qualifications in England, Wales and Northern Ireland.



Table 1: QAA framework for higher education qualifications in England, Wales and Northern Ireland

Level			Description
1	Certificate	C level	Certificates of Higher Education
2	Intermediate	I Level	Foundation degrees, ordinary (Bachelors) degrees, Diplomas of Higher Education and other higher diplomas
3	Honours	H Level	Bachelors degrees with Honours, Graduate Certificates and Graduate Diplomas
4	Masters	M Level	Masters degrees, Postgraduate Certificates and Postgraduate Diplomas
5	Doctoral	D Level	Doctorates

Source: QAA

As noted above, the QAA qualifications framework ranks the foundation degree within level 2, which includes the ordinary degree and the HND.

After achieving a foundation degree a student can then progress to obtain an honours degree (level 3) following an additional period of study that would normally equate to one year and a third of FTE study.

### 1.5.2 Foundation degrees and employers

Foundation degrees have been designed to ‘equip students with the technical skills, academic knowledge and transferable skills that employers increasingly demand in a range of sectors’ (HEFCE press release 28 November 2000). The QAA states that the foundation degree is intended to be ‘distinctly vocational, and to lead, typically to technician and para-professional employment’ however an honours degree would more often be ‘distinctly academic, and may lead to professional careers in some fields’. (QAA, July 2000, Progression to an honours degree from a foundation degree).

Active employer involvement and positive recognition is seen by most as the key to the success of the foundation degree. Institutions have involved employers or employer groups in the design of the courses to ensure that they meet employer demand and/or sector skills shortages. Examples of employers involved in the successful pilot courses that HEFCE will fund from 2001-02 are: Jaguar Cars; Nortel Networks; Whitbread PLC; Carlton Television and BP. Ten different NTOs are involved in delivering fifteen of the courses, and other partners include: a Chamber of Commerce; various LEAs and local borough councils; and various professional and vocation bodies and organisations.

It is anticipated that close collaboration between employers, providers and NTOs will ensure that foundation degrees play a vital role in meeting labour market needs for associate professionals. By doing this it is hoped that the curricula will keep pace with changes in employer requirements.

### 1.5.3 **Foundation degrees and associate professional skills**

As noted previously, the intention is that on completing a foundation degree a person will be equipped to enter work at the associate professional level with the appropriate skills to meet the employer's and sector's needs. Whether the foundation degree meets its goals will depend largely on three factors:

- The truly vocational nature of the course and employer involvement;
- The currency of the foundation degree to employers and students as a stand-alone, first choice option;
- The number of students who enter work following completion of a foundation degree level and do not want to continue straight onto an honours degree.

The three factors largely follow on from one another. If the employers have 'bought-in' to the foundation degree and the courses are sufficiently vocational and skills based they are more likely to gain the credibility needed for students to take them as a 'first-option' rather than as a 'clearing choice'. If this is not the case there is the possibility that students will take the foundation degree purely as an available stepping stone onto an honours degree and subsequently will not meet the aims of the Government in training people to an associate professional skills level ready for employment, although it may meet the aims of the lifelong learning agenda.

## 1.6 **Overview of existing work**

The available literature concerning the labour market dynamics of the associate professional and technical occupations is patchy. Typically research has been conducted at analytical scales above or below that of the SOC major group. There is a better developed body of work concerning intermediate skills, although this tends to focus more on the craft-based elements of the category, and so cannot be readily applied where the unit of study is the upper tier of that grouping. Similarly, work using industrial sectors as case studies applies to more than simply the associate professional and technical occupations, and then is usually relevant to sub-groupings rather than the whole occupational class. There is no body of work explicitly addressing this major grouping of the SOC.

Nevertheless it is possible to identify a number of trends from previous research. The changing occupational structure of the UK economy necessitates occupational mobility as the location of vacancies across the occupational range shifts leading to a change in the skills profile of those in associate professional

and technical occupations and increased incidents of reported skills shortages. These skill shortages tend to be related to personal attributes and experience rather than educational attainment. The increased representation of graduates in these positions is unlikely to ameliorate this situation, however the introduction of foundation degrees, with the intention of preparing students for associate professional and technical occupations may dampen down this occupational mobility due to improved job matching.

There are therefore considerable gaps in the literature, due both to the occupational class not being a popular unit of analysis and also due to the recent changes that have occurred in its make up. In particular the career trajectory of those in these occupations is poorly understood. Consequently, gaining an appreciation of such issues is of key interest in the next stage of the study. The secondary data analysis will be used as a mechanism for understanding the changing skill requirements of the jobs included in the occupational class, and the changing skill profile of those employed in these occupations. This information will provide an indication of potential skill gaps and establish the extent to which skill requirements are changing.

## 2 Exploring the changing nature of business and public service associate professionals<sup>7</sup>

The associate professional occupational group is extremely diverse and incorporates a wide range of minor occupations. These sub-occupations in turn contain numerous job roles all of which are influenced by different forces and display different growth patterns. Given the size and scale of the associate professional occupational group, it is not feasible to include the occupational group as a whole in the study. Consequently, this analysis concentrates upon the most dynamic sub-occupational group; the *business and public service associate professional group*. This occupational group is particularly important in that it is forecast to grow by around 2 per cent per annum between 1999-2010 providing an additional 363,000 jobs in the UK. This growth is second only to that expected from the professionals occupational group.

Longitudinal analysis of the Labour Force Survey was undertaken in order to identify:

- The changing nature of the composition of the business and public service associate professional group,
- The level and characteristics of educational attainment of people employed in this occupational group;
- The extent to which these employees participate in training; and
- The employment trajectories of people working in this group in order to try to generate insights as to whether people consider associate professional occupations as a source of a career.

Data was drawn from spring 1992, 1996 and 2000. The composition of the business and public services occupational group used within this analysis can be found in Annex IV. Adopting a best-fit approach between the SOC1990 and SOC2000 classifications generated the classification found in this table.

### 2.1 Changing numbers employed in the business and public service associate professional group

Table 2 illustrates the numbers employed in business and public service associate professional occupations across England in 1992, 1996 and 2000. It shows that the numbers of people employed in this group increased by 14 per cent between 1992 and 2000. Around 110,000 additional employment opportunities became available during this period. As such by 2000, there were approximately 915,000 employees working in business and public service occupations.

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<sup>7</sup> This occupational group consists of sub-major group 35 (SOC 2000) which is made up of minor groups 351-356. The component parts of these occupational groups can be found in Annex II.

The growth in demand for employees experienced by the business and public service associate professional group was *sizeably larger* than the total employment growth rate found across England during the same period (8 per cent). However, the proportion of total employment taken by the business and public service associate professional group did not change significantly during this period. In 1992, this occupational group accounted for around 4 per cent of total employment in England. By 1996 this had risen to 3.9 per cent, and remained unchanged to 2000.

*Table 2: Changing employment in business and public service associate professional occupations, 1992, 1996 and 2000*

Occupation	Count (in thousands)			% Change			% of Total Employment		
	1992	1996	2000	1992- 96	1996- 2000	1992- 2000	1992	1996	2000
Transport Associate Professionals	48	50	49	2	<0.5	2	<0.5	<0.5	<0.5
Legal Associate Professionals	24	26	32	7	23	32	<0.5	<0.5	<0.5
Business & Finance Associate Professionals	236	246	267	4	8	13	1	1	1
Sales & Related Associate Professionals	294	314	309	7	-2	5	1	1	1
Public Service & Other Associate Professionals	203	224	259	11	15	28	1	1	1
<b>Total</b>	<b>806</b>	<b>860</b>	<b>915</b>	<b>7</b>	<b>6</b>	<b>14</b>	<b>4</b>	<b>4</b>	<b>4</b>

*Source: Labour Force Survey*

The business and public service associate professional occupational group is made up of numerous sub-occupations, which are highlighted in Table 2. Each sub-occupational group encountered different growth trends between 1992 and 2000. A variety of opposing trends were evident across the occupational group. The changing composition of the business and public service associate professional group is shown in Table 3.

The sales and related associate professional occupation remains the largest of the sub-occupational groups. However, the absolute numbers of people employed in this sub-group has been falling over time with the proportion of total business and public service associate professional employment located in this minor group falling from 36 per cent in 1992 to 33 per cent in 2000.

Conversely the proportion of total employment made up by the public service and other associate professional group grew between 1992 and 2000. By 2000, this occupational group comprised 28 per cent of employment opportunities in the business and public service associate professional group, up from 23 per cent in 2000.

*Table 3: The changing composition of the business and public service associate professional occupational group*

<b>Occupation</b>	<b>1992 (%)</b>	<b>2000 (%)</b>	<b>% Change 1992-2000<sup>8</sup></b>
Transport Associate Professionals	6	5	-12
Legal Associate Professionals	3	3	13
Business & Finance Associate Professionals	29	29	-1
Sales & Related Associate Professionals	36	34	-7
Public Service & Other Associate Professionals	25	28	12
<b>Total</b>	<b>100</b>	<b>100</b>	

*Source: Labour Force Survey*

The key employment trends of each minor business and public service associate professional occupational group can be summarised as follows:

- The transport associate professional group declined in importance as a source of employment between 1992 and 2000. Total demand for employees grew around 2 per cent over the 1992 to 2000 period. After a period of low growth, the demand for this group of employees fell between 1996 and 2000 (-0.4 per cent). Demand for transport associate professional employees was considerably less than total demand for employees across England during the same period (8 per cent). By 2000, the transport associate professionals accounted for 0.2 per cent of total employment.

<sup>8</sup> Percentage change is based on changes in the number employed within minor groups not minor group share of the sub-minor group.

- The legal associate professional group experienced the largest employment growth (32 per cent) of all the minor groups during the 1992-2000 period. The majority of this growth occurred between 1996 and 2000. This group however remains the smallest of all the minor groups and constituted only 0.1 per cent of total employment in England in 2000.
- Between 1992-2000 the number of people employed as business and finance associate professionals in England rose by 13 per cent, which was higher than the England average (8 per cent). Indeed, around 30,000 extra employment opportunities became available within this minor group between 1992 and 2000. By 2000 the occupational group accounted for 1 per cent of total employment in England.
- Sales & related associate professionals form the single largest occupational group within the business and public service associate professionals category, accounting for around 309,200 jobs by 2000. Demand for employees from within this group fell between 1996 and 2000. Overall demand for employees in this minor group was around 5 per cent between 1992 and 2000. This growth was lower than that found in the wider labour market (8 per cent). The absolute number of job opportunities found in this occupational group is therefore declining. The proportion of total employment accounted for by the sales and related associate professional group fell slightly from 1.4 to 1.3 per cent between 1992 and 2000.
- Demand for employees from within the public service and other associate professionals grew considerably faster (28 per cent) than total employment between 1992 and 2000 (8 per cent). During 1992 and 2000 around 56,000 additional jobs were created in this minor group. In addition, the proportion of total employment accounted for by this occupational group increased from 0.9 per cent in 1992 to 1.1 per cent in 2000. As a result, the public service and other associate professional occupational group is becoming increasingly important as a source of employment generation across the wider labour market.

Looking to the future, demand for employees from the business and public service associate professional group is expected to continue with an additional 363,000 jobs expected to be produced between 1999 and 2010 (see Table 4). Future growth is however not forecast to be uniform across the occupational group, with the picture of demand remaining complex. Whilst some minor groups will continue to have strong growth others will continue to reduce in importance.

*Table 4: Forecasted future growth of the business and public services associate professional group 1999 to 2010*

<b>SOC 2000</b>	<b>Occupation</b>	<b>Change in Numbers Employed 1999-2010 (thousands)</b>	<b>% Change in numbers employed per annum</b>
35	Business and Public Services Associate Professionals	363	2
351	Transport Associate Professionals	-5	-0.9
352	Legal Associate Professionals	12	2.7
353	Business and Finance Associate Professionals	112	2.5
354	Sales and Related Associate Professionals	100	1.6
355	Conservation Associate Professionals	1	0.9
356	Public Service and Other Associate Professionals	142	2.8

*Source: Wilson, 2001*

On the whole the trends, which were identified for the minor occupations for the 1992 to 2000 period, are predicted to continue through to 2010. The largest demand for employees is expected to occur within the public service and other associate professionals and legal associate professional groups. Growth in the sales and related associated professional group is also forecast to rise. It is suggested that this growth may be a little over-stated given the fact that actual growth in this group fell between 1996 and 2000. Employment demand from the transport associate professional group is expected to continue to fall with the number of job opportunities in this minor group contracting.

## **2.2 The distribution of business and public service associate professionals by industry**

This section identifies the industrial sectors in which business and public service associate professionals are employed and the extent to which this has changed over time. In order to make a comparison of the industrial distribution of employment across 1992, 1996 and 2000 it is necessary to refer to the 1980 SIC. Tables 5 to 7 show the changing distribution of employment according to the Divisions of the 1980 Standard Industrial Classification. Table 8 illustrates the extent to which the number of business and public service associate professional employed in an industrial sector has changed over time.



Table 5: Industrial distribution of employment across the business and public service associate professional group in 1992<sup>9</sup>

Industry	Transport	Legal	Business & Finance	Sales & related	Public service & other	Total Business & Public Assoc Prof
<b>Thousands (%)</b>						
0			*	1 (<0.5)		1000 (<0.5)
1	3 (7)		4 (2)	5 (2)	12 (6)	23 (3)
2		*	6 (8)	23 (8)	4 (2)	33 (4)
3	2 (5)		12 (5)	56 (19)	10 (5)	80 (10)
4	*		8 (3)	38 (13)	7 (3)	52 (7)
5		1 (<0.5)	10 (4)	6	4 (2)	21 (3)
6	1 (<0.5)		18 (8)	86 (29)	9 (4)	114 (14)
7	35 (72)	1 (<0.5)	6 (3)	5 (2)	10 (5)	57 (7)
8	2 (4)	17 (71)	155 (66)	66 (22)	17 (9)	257 (32)
9	5 (9)	5 (21)	17 (7)	9 (3)	129 (64)	166 (21)
00					*	*
Ex UK	*					*
<b>All</b>	<b>49 (100)</b>	<b>24 (100)</b>	<b>236 (100)</b>	<b>294 (100)</b>	<b>202 (100)</b>	<b>805 (100)</b>

Source: Labour Force Survey

<sup>9</sup> Key: 0 – Agriculture, forestry, fishing; 1 - Energy and water supply; 2 - Minerals, ores, metals, chemicals, etc; 3 – Metal goods and engineering 4 - Other manufacturing industry; 5 - Construction; 6 - Distribution, hotels & catering; 7 - Transport and communications; 8 - Banking, finance, business services; 9 - Other services; 00 - Diplomatic, etc.

\* less than 500

Table 6 : Industrial distribution of employment across the business and public service associate professionals in 1996<sup>10</sup>

Industry	Transport	Legal	Business & Finance	Sales & related	Public service & other	Total Business & Public Assoc Prof.
	Thousands (%)					
0	*			1		1 (0)
1	2 (4)		2 (1)	2 (1)	7 (2)	13 (3)
2			4 (1)	19 (6)	6 (3)	29 (3)
3	1 (2)	*	11 (5)	51 (16)	16 (9)	81 (9)
4			5 (2)	31 (10)	5 (5)	41 (4)
5	*	*	9 (4)	7 (2)	3 (2)	21 (2)
6	14 (3)		11 (5)	1070 (34)	10 (15)	130 (15)
7	34 (69)		8 (3)	9 (33)	9 (7)	610 (7)
8	*	21 (80)	169 (69)	75 (24)	35 (35)	301 (35)
9	8 (16)	5 (18)	25 (11)	12 (4)	133 (59)	182 (21)
00			*		*	1 (0)
Ex UK	1 (2)					1 (0)
<b>All</b>	<b>50 (100)</b>	<b>26 (100)</b>	<b>246 (100)</b>	<b>314 (100)</b>	<b>224 (100)</b>	<b>860 (100)</b>

Source: Labour Force Survey

<sup>10</sup> Refer to footnote 9 on page 18

\* less than 500

Table 7 : Industrial distribution of employment across the business and public service associate professionals in 2000<sup>11</sup>

Industry	Transport	Legal	Business & finance	Sales & related	Public service & other	Total business & public assoc prof.
<b>Thousands (%)</b>						
0	*		1 (<0.5)	1 (<0.5)	1 (<0.5)	3000 (<0.5)
1	1 (<0.5)	1 (<0.5)	4 (2)	3 (1)	5 (2)	14 (2)
2	*		4 (1)	21 (7)	5 (2)	30 (3)
3	2 (5)	*	7 (3)	51 (17)	11 (4)	72 (8)
4		1 (<0.5)	7 (3)	34 (11)	10 (4)	52 (6)
5			10 (4)	10 (3)	3 (1)	23 (3)
6		*	13 (5)	91 (30)	13 (5)	117 (13)
7	41 (84)	1 (<0.5)	7(3)	9 (3)	13 (5)	71 (8)
8	1 (3)	22 (69)	193 (73)	75 (24)	38 (15)	329 (36)
9	2 (5)	7 (21)	20 (7)	14 (5)	159 (62)	202 (22)
00				*	1 (<0.5)	1 (<0.5)
Ex UK	*		*			1 (<0.5)
<b>All</b>	<b>49 (100)</b>	<b>32 (100)</b>	<b>266 (100)</b>	<b>309 (100)</b>	<b>259 (100)</b>	<b>915 (100)</b>

Source: Labour Force Survey

The largest single concentration of business and public service associate professional occupations is located in the banking, finance and business service sector minor group. Indeed, the total number of business and public service associate professional employees located in this sector increased by 28 per cent during the 1992 to 2000 period.

In the banking, finance and business service sector all the minor groupings, with the exception of transport associate professionals experienced a growth in the total number of people employed. The public service and other associate professional occupational group accounted for the largest growth in absolute terms.

<sup>11</sup> Refer to footnote 9 on page 18

\* less than 500

Table 8: Changing industrial distribution of employment across the business and public service associate professional group 1992-2000<sup>12</sup> (% change)<sup>13</sup>

Industry	Transport	Legal	Business & Finance	Sales & related	Public service & other	Total Business & Public Assoc Prof.
0						
1	-7		22	-39	-58	-41
2			-36	-10	9	-12
3	7		-48	-8	15	12
4			-4	-10	44	-1
5			4	79	-30	13
6			-28	6	40	3.
7	18		6	83	34	25
8	-34	28	25	14	117	28
9	-5	31	13	53	23	22
00						
Ex UK						
<i>All</i>	2	32	13	5	28	14

Source: KPMG, 2001

The other services industrial group accounts for the second largest concentration of business and public service associate professionals. In 1992, around 20.6 per cent of business and public service associate professionals were located in the other services industrial group, this rose to 22.1 per cent by 2000. The public service and other associate professionals group had the largest number of employees working in the minor group.

Disaggregating the data into SOC minor groups and industry sectors reveals the following key trends:

- Transport associate professionals are concentrated in the transport and communications sector, with at least 70 per cent of all employment in this occupational group. The concentration of transport associate professionals in the transport and communications sector increased from 72.4 per cent in 1992 to 84 per cent of the occupational group by 2000.
- People employed as legal associate professionals are most likely to be employed in the banking, finance and business services or other services industrial sectors. In 2000, around 69 per cent of legal associate

<sup>12</sup> Refer to footnote 9 on page 18

<sup>13</sup> % change in numbers found in these industrial sectors between 1992 and 2000.

professionals were located in the banking, finance and business services sector with around 21 per cent in the other services industries.

- The majority of people employed as business and finance associate professionals are found in the banking, finance and business services industries. In 1992 around 65 per cent of all business and finance associate professionals were located in this group. By 2000 this figure had risen to 73 per cent.
- People employed in the sales and related associate professional occupation are found throughout a wider range of industries than other constituent parts of the business and associate professional occupational group. The largest share (30 per cent) of sales & related associate professionals is located in the distribution & hotels sector. A further twenty percent of this occupational group is employed in banking, finance & business services and 17 per cent in metal goods and engineering. The proportion of sales & related associate professionals located in the metal goods and engineering industries has fallen from 19 per cent in 1992 to 17 per cent in 2000.
- Nearly two-thirds of public service and other associate professionals are working in other services industrial group. In 2000, around 15 per cent of this occupational group was also located in the banking, finance and business services industries.

## **2.3 Exploring employment trajectories of business and public service associate professionals**

This section examines the employment trajectories of people employed in business and public service associate professional jobs. The year in which people entered employment was determined using Labour Force Survey data for 1992, 1996 and 2000. By exploring the labour market status and occupation of people working as associate professionals twelve months previously limited insights into occupational mobility were generated.

### **2.3.1 Labour Market Entry**

Tables 9 to 11 highlight the year that those employed in business and public service associate professional occupations commenced work. The key trends are as follows:

- The majority of people employed in the business and public service occupational groups began employment within the ten years prior to the date at which the survey was undertaken. For example, over half the people employed in this occupational group in 1992 had begun their employment during the 1984-1992 period.

- It would appear that over time the proportion of people employed across the business and public service associate professional group who are relatively new to the world of work has grown. Indeed, by 2000 around 42 per cent of people employed in these occupations had only started work within the last four years. This trend mirrors national labour market trends where just under half of all people entering the labour market had done so in the past four years.
- Those people employed in the transport associate professional occupations stand out as having an ‘older’/ ‘more established’ profile than the others (i.e. a greater share than the average started in employment during the earlier periods noted).
- Public Service & Other Associate Professionals has the second most established age profile.
- By contrast, Sales & Related Associate Professionals group is characterised by a greater than average proportion of ‘new entrants’.

*Table 9: Year those employed in business and public service associate professional occupations in 1992 started employment*

<b>Year started</b>	<b>Transport (%)</b>	<b>Legal (%)</b>	<b>Business &amp; Finance (%)</b>	<b>Sales &amp; related (%)</b>	<b>Public service &amp; Other (%)</b>	<b>Total Business &amp; Public Assoc Prof. (%)</b>	<b>Total England Employment (%)</b>
Pre 1960	10	5	3	2	3	3	2
1960-74	22	12	10	10	21	14	12
1975-84	26	29	22	20	29	24	22
1984-89	22	35	35	32	29	32	33
1990-92	21	19	30	35	17	27	31
<b>Total<sup>14</sup></b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

*Source: Labour Force Survey*

<sup>14</sup> Columns may not sum due to rounding

Table 10: Year those employed in business and public service associate professional occupations in 1996 started employment

Year started	Transport (%)	Legal (%)	Business & Finance (%)	Sales & related (%)	Public service & Other (%)	Total Bus & Public Assoc Prof. (%)	Total England Employment (%)
Pre 1960	3	5	1	0	1	1	1
1960-74	17	12	7	6	17	10	8
1975-84	21	20	12	14	20	16	15
1984-89	26	27	23	23	21	22	19
1990-92	15	14	19	17	15	17	17
1993-96	18	23	38	41	27	34	41
<b>Total<sup>15</sup></b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Labour Force Survey

<sup>15</sup> Columns may not sum due to rounding

Table 11: Year those employed in business and public service associate professional occupations in 2000 started employment

Year started	Transport (%)	Legal (%)	Business & finance (%)	Sales & related (%)	Public service & other (%)	Total business & public services assoc. profs. (%)	Total England employment (%)
Pre 1960	3			1		1	0
1960-74	9		7	3	8	6	5
1975-84	15	9	7	7	15	10	10
1984-89	24	10	11	14	17	15	12
1990-92	7		9	8	8	8	9
1993-96	16	33	19	20	18	19	19
1996-2000	27	46	47	46	35	42	45
<b>Total<sup>16</sup></b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Labour Force Survey

### 2.3.2 Employment Trajectories

In order to gain some understanding of the employment trajectories of people employed in business and public service associate professional occupations, data concerning people's employment status twelve months previously was gathered from the Labour Force Survey for 1992, 1996 and 2000.

The overwhelming majority (96.2 per cent in 1992, 95 per cent in 1996 and 95.7 per cent in 2000) of those people currently employed in business and public service associate professional occupations tend to have been in paid employment for the previous twelve months. Indeed, people employed in this occupational group were slightly more likely to have been in paid employment for the previous twelve months than was found across the labour market as a whole<sup>17</sup>.

There is very little difference in the labour market experience of people employed across the constituent parts of the business and public service associate professional groups during 1992, 1996 and 2000. In 2000, over 95 per cent of

<sup>16</sup> Columns may not sum due to rounding

<sup>17</sup> The total proportion of people currently in employment who were working twelve months previously was 91 per cent in 2000.



people working within all of the minor groups had been employed for the previous twelve months.

The transport associate professionals had the highest proportion of people in employment twelve months previously with 98 per cent of employees in this position. Conversely, the business and finance associate professional group had the lowest proportion of people of all the business and public service associate professional occupational groups in employment (95 per cent) twelve months previously. However this was figure was still above that found across the labour market as a whole (91 per cent).

The majority of the small proportion of people currently employed as associate professionals who were not working twelve months previously had mainly been full time students (1.4 per cent) or unemployed (1.6 per cent).

### 2.3.3 Occupational trends

Little information is available on the occupational mobility of people employed in the associate professional occupations. Tables 12 to 14 outline the occupational distribution of those employed in business and public service associate professional occupations one year ago using the 1990 SOC Major Groups.<sup>18</sup> The key findings are as follows:

- Across all three time periods around half of the people who are currently working in business and public service associate professional occupations were employed in associate professional occupations twelve months previously. Indeed in 1992, around 48 per cent of all people who were at the time employed as business and public service associate professionals were employed in associate professional and technical occupations twelve months previously. The figures for 1996 and 2000 were 50 and 53 per cent respectively.
- There is some movement of people between the sales and business and public service associate professional occupational groups. However, the proportion of people who were previously employed in a sales occupation appears to have reduced over time. In 1992, the proportion of people who were previously employed in sales occupations was 30 per cent; by 2000 this had fallen to 27 per cent.
- A slight downward movement of people from managerial and administrative positions to business and public service associate professional occupations appears to be evident. In 1992 around 15 per cent of people noted that they had previously been employed in a managerial or administrative position, compared to only 14 per cent in 2000.

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<sup>18</sup> It should be noted that some individuals would not have an occupation recorded for one year ago.

Table 12: The occupational distribution of employment in business and public service associate professional occupations one year previously (1992)<sup>19</sup>

Occup.	Transport	Legal	Business & Finance	Sales & related	Public service & other	Total Bus& Public Assoc Prof.
	<b>Thousands (%)</b>					
1	*	*	6 (3)	49 (18)	52 (28)	108 (15)
2			1 (<0.5)	2 (<0.5)	2 (<0.5)	5 (<0.5)
3	25 (55)	21 (95)	184 (86)	2 (1)	125 (66)	357 (48)
4		*	7 (3)	4 (1)	7 (4)	17 (2)
5			1 (<0.5)	2 (1)	1 (<0.5)	3 (<0.5)
6				1 (1)	2 (1)	3 (<0.5)
7	*		1 (7)	209 (78)	*	224 (30)
8	20 (44)	*	1 (<0.5)	*	*	22 (3)
9				1 (<0.5)	*	1 (<0.5)
<b>All</b>	<b>46 (100)</b>	<b>22 (100)</b>	<b>215 (100)</b>	<b>269 (100)</b>	<b>189 (100)</b>	<b>740 (100)</b>

Source: Labour Force Survey

<sup>19</sup> Refer to footnote 9 on page 18

\* less than 500

Table 13: The occupational distribution of employment in business and public service associate professionals one year previously (1996)<sup>20</sup>

Occup.	Transport	Legal	Business & Finance	Sales & related	Public service & other	Total Bus & Public Assoc Prof.
<b>Thousands (%)</b>						
1			5 (2)	60 (22)	52 (25)	118 (15)
2	*		2 (1)	3 (1)	3 (1)	7 (1)
3	28 (60)	22 (95)	201 (90)	1	139 (68)	390 (50)
4		1 (5)	5 (2)	6 (2)	8 (4)	20 (3)
5			*	2 (1)	2 (1)	5 (1)
6			*	1 (1)	*	2 (0)
7			10 (5)	205 (73)	2 (1)	217 (28)
8	17 (38)			1 (<0.5)	*	18 (2)
9				1 (1)		1 (0)
<b>All</b>	<b>46 (100)</b>	<b>23 (100)</b>	<b>223 (100)</b>	<b>281 (100)</b>	<b>206 (100)</b>	<b>778 (100)</b>

Source: Labour Force Survey

Table 14: The occupational distribution of employment in the business and public service associate professionals one year previously (2000)<sup>20</sup>

Occup.	Transport	Legal	Business & Finance	Sales & related	Public service & other	Total Bus & Public Assoc Prof.
<b>Thousands (%)</b>						
1		1 (<0.5)	7 (3)	54 (20)	48 (21)	110 (14)
2		1 (<0.5)	6 (3)	3 (1)	3 (1)	13 (2)
3	31 (69)	27 (91)	201 (86)	2 (1)	170 (72)	431 (53)
4		1 (<0.5)	7 (3)	5 (2)	8 (3)	20 (3)
5			1 (<0.5)	3 (1)	*	4 (0)
6	1 (<0.5)		*	1 (<0.5)	2 (1)	4 (0)
7		*	10 (4)	206 (75)	3 (1)	219 (27)
8	13 (29)			2 (1)	1 (<0.5)	16 (2)
9			1 (<0.5)	1 (<0.5)		2 (<0.5)
<b>All</b>	<b>44 (100)</b>	<b>30 (100)</b>	<b>233</b>	<b>276</b>	<b>234</b>	<b>818</b>

Source: Labour Force Survey

<sup>20</sup> Refer to footnote 9 on page 18

\* Less than 500

Disaggregating the data by each minor occupational group highlights the fact that, with the exception of the sales and related occupational group, the majority of people employed in the transport, legal, business and finance and public service and other associate professional occupational groups were employed in the same associate professional occupational groups twelve months earlier.

People employed in the sales and related and public service and other associate professional occupations were more likely to have been employed as managers and administrators than in the other occupational groups. Nonetheless, the proportion of people moving between these occupations has fallen during the 1992 to 2000 period.

The current position of people who were employed in associate professional positions one year previously is highlighted in Table 14. Taken as a whole, around 90 per cent of people who were working in business and public service associate professional occupations one year ago have continued to work within this group. The proportion of people staying in the occupational group has declined slightly between 1992 and 2000.

*Table 15: Proportion of employees who are in the same occupation as they were one year previously*

<b>Occupational Group</b>	<b>1992 (%)</b>	<b>1996 (%)</b>	<b>2000 (%)</b>
Transport	95	97	98
Legal	95	95	86
Business and Finance	91	93	89
Sales and related	90	88	90
Public Service and other	90	89	89
Total Business & Public Associate Professional Group	92	91	90

*Source: Labour Force Survey*

There are slight variations in mobility trends across the minor groups. These can be summarised as follows:

- The minor occupation with the lowest proportion of occupational mobility was the transport associate professional group. Indeed, occupational mobility has decreased amongst people in the transport associate professional group with the proportion of people still employed in the occupational group rising over time.

- Occupational mobility has increased the most within the legal associate professional group while less people are being retained in the group suggesting that people are moving out of the group at an increasing rate.
- The proportions of people staying within the sales and related and public service and other associate professional occupational groups have remained relatively static between 1992 and 2000.

Further insights into mobility within the business and public service associate professional group are to be found in Table 16. This highlights the proportion of people who are still employed by the same employer as they were twelve months previously. Around 95 per cent of people currently working in an associate professional position were employed by the same firm twelve months previously. People employed in the transport associate profession were the least likely to have moved employers. The proportion of people moving employers in the business and finance associate professional occupation rose over the 1996 to 2000 period.

*Table 16: Proportion of employees who are working for the same employer as they were one year previously*

<b>Occupational Group</b>	<b>1992 (%)</b>	<b>1996 (%)</b>	<b>2000 (%)</b>
Transport	98	98	99
Legal	95	97	96
Business and Finance	96	98	94
Sales and related	96	94	97
Public Service and other	94	94	94
Total Business & Public Associate Professional Group	96	96	95

*Source: Labour Force Survey*

## 2.4 **Qualifications held by business and public service associate professionals**

In order to determine the educational attainment of people working in the business and public service associate professionals data was drawn from the Labour Force Survey on the highest qualification held by associate professional employees. Table 17 presents this data for 1992. A more detailed categorisation of qualifications is available for 1996 and 2000, and this is reproduced in Table 18. The qualification composition of the business and public service associate professional group is extremely complex with large variations in the types of highest qualifications held by personnel employed across the various sub-groups.

What is not in doubt is the fact that the level of educational attainment achieved by people employed in these positions has *risen* over time. For example, the proportion of people with a higher degree, first degree or other degree rose from 20 per cent in 1992 to 24 per cent in 1996 and 30 per cent by 2000. This growth coincided with the expansion of higher education throughout the 1990s, which meant that people are more likely to have pursued higher education and as such the supply of graduate labour has risen. The proportion of people with higher-level qualifications is *greater* in the associate professional occupations than found across the labour market as a whole (where in 2000 only around 15 per cent of employees held these higher-level qualifications). There is no evidence to suggest that the growth in the number of people with higher-level degrees has been any more prevalent in the business and public service associate professional occupation than found in the wider labour market.

Higher numbers of people employed in the business and public service associate professional occupations have 'other degrees' as compared to that found in the labour market as a whole. However, the proportion of people citing 'other degree' as their highest qualification fell between 1992 and 2000 from 4.7 per cent to 3.8 per cent. This trend coincided with a corresponding rise in the proportion of people with a first degree and may reflect the fact that people are now able to more easily pursue a more traditional higher education route.

Indeed, there has been a significant rise in the proportion of people with first degrees amongst associate professional employees. In 1992 around 17 per cent of employees noted that their highest qualification was a first degree, by 2000 this figure had risen to 21 per cent. The growth in the number of people with higher degrees was less, with 3 per cent of people noting they possessed a higher degree as their highest qualification in 1992. This figure had risen to around 5 per cent by 2000.

Table 17: Highest qualification profile of those in business and public service associate professional occupations, 1992

Highest qual.	T'port (%)	Legal (%)	Business & Finance (%)	Sales & related (%)	Public service & Other (%)	Total business & public service assoc prof	Total England employment (%)
Higher degree			4	2	5	3	2
First degree	8	10	14	8	17	12	8
Other degree	4	14	6	4	4	5	2
BTEC etc. Higher	5		8	9	6	7	4
Teaching – all levels				1	4	2	2
Nursing				1	1	1	3
BTEC (etc.) General	3		3	4	6	4	3
City & Guilds	10	8	6	10	11	9	11
A Level & equivalent	13	16	16	8	12	12	6
Trade apprenticeship comp	12	6	5	8	5	6	7
O Level & equivalent	13	32	26	23	20	23	19
CSE below grade 1	3		1	2	2	2	4
RSA			1	1	1	1	2
Other	14	6	4	4	3	4	5
No qualification	12	8	6	15	6	10	24
No answer				*		*	*
<i>Total</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>

Source: Labour Force Survey

O level or equivalent qualifications appear more prevalent amongst associate professionals than amongst the working population as a whole. In 2000 around 20

\* less than 0.5 per cent

per cent of people employed in the business and public service associate professional occupations noted O level and equivalent as their highest qualifications, a fall from 22.5 per cent in 1992. This trend is counter to that found nationally where the number of people with O level qualifications rose from 11.7 per cent in 1992 to 18.6 per cent by 2000. This finding may reflect the fact that people working in associate professional occupations have traditionally entered their chosen occupation from school in order to pursue a career.

The proportion of people with no formal qualifications employed in associate professional positions fell during between 1992 and 2000. In 1992 around 10 per cent of people stated that they had no qualifications, by 2000 this had fallen to 3.2 per cent. Fewer people employed in the business and public service associate professional occupations do not hold any qualifications when compared to the labour market as a whole.

There are distinct differences in the educational attainment characteristics of the different business and associate professional occupational groups. These can be summarised as follows:

- The legal associate professional group has the greatest proportion of its employees holding higher-level qualifications of all business and public service minor groups. In 2000 around 48 per cent of employees working as legal associate professionals stated that their highest qualification was a higher degree, first degree or other degree. This was considerably higher than found across the labour market as a whole where only 15 per cent of people held these qualifications. The legal associate professional group also has a higher proportion of people with 'other degrees' than either the aggregate figure for business and public service professional occupations or the labour market as a whole.
- The educational attainment of people employed in the legal associate professional occupations shifted between 1992 and 2000. The educational attainment of this group of employees has risen. There was a noticeable reduction in the proportions of people citing O level or equivalent as their highest qualification. In 1992, around 32 per cent of people employed in legal associate professionals noted that O levels were their highest qualification. By 2000 this had halved to 16 per cent. A significantly higher proportion of people within this occupational group had a first degree in 2000 (28 per cent) compared to 1992 (10 per cent).
- People employed in the transport associate professional sales & related occupational groups are more likely to have a lower level of educational attainment than found across the business and public service occupation as a whole. Despite this, the proportion of people holding first degrees rose in both groups between 1992 and 2000. In 1992 around 8 per cent of transport associate professionals and sales & related associate professionals held first degrees. By 2000 this figure had risen to 15 per



cent and 16 per cent respectively. However this was significantly lower than found across the occupational group as a whole.

- The transport associate professional and the sales & related associate professional occupations had the highest proportion of employees with no qualifications across the business and public service associate professionals categories. However, the proportion of employees with no qualifications across both these minor groups fell considerably between 1992 and 2000. In 1992 around 12 per cent of transport associate professionals and 15 per cent of sales & related occupations held no qualifications; by 2000 this figure had fallen to 3 per cent and 6 per cent respectively.
- Fewer people employed in the transport associate professional occupational groups held O levels than in other associate professional categories. However, the transport associate professionals group contained the highest proportion of people with trade apprenticeships.
- In 1992 around 24 per cent people employed in business and finance associate professional occupations held higher, first or other degrees. In 1996 and 2000 this had risen to 32 per cent. The proportion of people with 'other degrees' however fell during this period whilst there was a rise in the number of people with first degrees.

Table 18: Highest qualification profile of those in business and public service associate professionals, 1996 and 2000

Highest qualification	Transport (%)		Legal (%)		Bus. & Finance (%)		Sales & related (%)		Public service & other (%)		Total Bus & Public Assoc Prof. (%)	
	1996	2000	1996	2000	1996	2000	1996	2000	1996	2000	1996	2000
Higher Degree	2			9	5	4	1	2	7	9	4	5
NVQ Level 5								0		1	*	*
First Degree	7	15	17	28	19	22	11	16	17	27	15	21
Other Degree	6	4	17	11	8	6	3	2	5	3	6	4
NVQ Level 4						1	*		1	2	*	1
Diploma in higher educ.		3	4		1	1	1	2	22	2	2	1
HNC/HND, BTEC higher etc.	9	3			5	7	8	6	6	6	7	6
Teaching – all levels									1	1	*	1
Nursing etc.							1	1	1	1	1	1
Other higher education below degree level					1	1	1	1	1	1	1	1
NVQ Level 3 / GNVQ advanced						2	1	1	2	3	18	2
A Level or equivalent	9	16	22	19	15	16	11	11	13	9	13	13
Other vocational level 3	5	4			4	5	6	8	5	5	5	6
AS level or equivalent												
Trade apprenticeship	21	17			5	3	12	6	5	3	9	5
NVQ Level 2 / Intermediate GNVQ						1	*	3	1	1	*	1

\* less than 0.5 per cent

Other vocational level 2					1	1	1	2	2	1	<i>1</i>	<i>1</i>
O-Level, GCSE grade A-C or equivalent	13	12	21	16	22	22	22	24	21	17	<i>21</i>	<i>20</i>
NVQ Level 1 / GNVQ foundation												
CSE below grade 1, GCSE below grade C	4	7			1	1	2	3	2	2	<i>2</i>	<i>2</i>
RSA other							1	*	1	1	<i>1</i>	*
City & Guilds Other							0		1		*	
Other qualification	10	10	7	4	6	5	5	5	5	3	<i>6</i>	<i>5</i>
No qualifications	6	3			4	2	9	6	4	1	<i>6</i>	<i>3</i>
DNA					1	1	1	1		*	<i>1</i>	<i>1</i>
<b>Total<sup>21</sup></b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b><i>100</i></b>	<b><i>100</i></b>

Source: Labour Force Survey

<sup>21</sup> Columns may not sum due to rounding

Public service and other associate professionals minor group had around 27 per cent of its employees with first degrees in 2000. This figure rose from 17 per cent in 1992. In addition, this occupational group had the lowest proportion of its employees with no qualifications of all the business and public service associate professional groups.

#### 2.4.1 **An overview of the educational attainment of business and public service associate professionals**

We highlighted earlier the confusion that has arisen between the term associate professional and the term intermediate skills; each of which seems to infer slightly different levels of educational attainment. Indeed, previous work has suggested that associate professionals are more likely to hold level 4 qualifications whilst people with intermediate skills, level 3 qualifications<sup>22</sup>.

Table 19 sheds light on this confusion by illustrating in NVQ categories what qualification level currently typifies business and public service associate professionals and how this has changed in the 1992-2000 period.

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<sup>22</sup> NVQ equivalents

Table 19: Summary of highest qualifications of people employed in business and public service occupations

Qualification Level	Total Business & Public Associate Professional (%)			All Occupational Groups (%)		
	1992	2000	% Change 1992-2000	1992	2000	% Change 1992-2000 <sup>23</sup>
<i>NVQ Level 5</i> <sup>24</sup>	3	5	59	2	5	100
<i>NVQ Level 4 (all)</i>	26	34	31	18	21	20
<i>Degree</i>	17	25	47	10	13	30
<i>Other level 4</i>	9	9	-	8	8	-
<i>NVQ Level 3 (all)</i>	25	22	-15	20	16	-18
<i>A-levels</i>	12	13	8	6	7	16
<i>Other level 3</i>	13	9	-30	14	9	-36
<i>NVQ Level 2</i>	29	27	-5	26	32	22
<i>Below NVQ Level 2</i>	7	7	9	11	13	24
<i>No Qualifications</i>	10	3	-67	24	12	-51
<b><i>Total</i></b> <sup>25</sup>	100	100		100	100	

Source: Labour Force Survey

Table 19 reiterates the fact that the educational attainments of the business and public service associate professional group has risen during the 1992-2000 period. Other key trends include that:

- There has been a significant rise in the number of people who hold NVQ level 4 qualifications. Indeed, by 2000 over a third of people employed in the business and associate professional occupation had achieved this level of educational attainment. The rise in the proportion of business and public service employees holding these qualifications was greater than found across the labour market as a whole.

<sup>23</sup> Percentage change is based on actual numbers rather than the rounded percentages shown in the table

<sup>24</sup> These figures should be treated with caution due to the low base from which they are derived.

<sup>25</sup> May not sum due to rounding

- The proportion of business and public service associate professionals with a degree rose faster during the 1992 to 2000 period than found across the labour market as whole. By 2000, 25 per cent of all people employed in this group held a degree.
- By 2000 a higher proportion of people employed in the sector were qualified to NVQ level 4 than either NVQ level 3 or level 2.
- There has been a reduction in the proportion of people working in business and associate professional occupations with NVQ level 2 and 3 qualifications. The proportion of people with NVQ level 3 qualifications has fallen faster than the proportion of people achieving NVQ level 2 qualifications. The fall in the proportion of people holding NVQ level 3 level qualifications has been lower than found across the labour market as a whole.
- More people held below NVQ level 2 qualifications in 2000 than in 1992. This is consistent with the fact that fewer people employed in the occupational group hold no formal qualifications.
- The proportion of people employed in the business and associate professional occupation without qualifications fell at a faster rate than found across the labour market as a whole.

The educational attainment of business and public service associate professionals has shifted towards the level proposed by the foundation degree. The main reason for the growth in importance of NVQ level 4 qualifications has been the growth in the proportion of people with first degrees employed across the associate professional groups. The extent to which this is as a result in the growth in higher education or the result of changing skill requirements of employers will be explored further in the case study element of the project.

## 2.5 **The incidence of job related training amongst business and public sector associate professionals**

Table 20 shows the levels of participation in job-related education and training in the last four weeks amongst people employed in these associate professional occupations appear similar to those across total employment. In 1996, 57 per cent of those in business and public sector service occupations received job-related education or training during the previous four weeks. In 2000 it was 53.6 per cent. The fall in incidence of people receiving job-related training was greater in the associate professional occupational group than across the wider labour market.

Table 20: The proportion of employees who had participated in job-related training in the previous four weeks

<b>Employment Group</b>	<b>1996</b>	<b>2000</b>	<b>% Change 1996-2000</b>
<i>Transport</i>	56	59	6
<i>Legal</i>	67	50	-25
<i>Business &amp; Finance</i>	83	55	-33
<i>Sales &amp; related</i>	47	53	11
<i>Public service &amp; other</i>	58	53	-9
<i>Total Business &amp; Public Services Assoc. Profs.</i>	57	54	-5
<i>Total England Employment</i>	56	55	-1

Source: Labour Force Survey

Job-related training appears to have become less prevalent in the legal and business and finance associate professional occupations.

Employees in the sales & related occupational group received less training than the remaining minor categories in 1996 and 2000. However the proportion of employees receiving training in the sales and related occupational group increased between 1996 and 2000.

## 2.6 Skill shortages amongst business and public service associate professionals

Comprehensive information concerning the exact nature of current skill shortages within this business and public service occupational group is currently not available. This section begins to address this gap in knowledge by examining data from the Employers Skills Survey (1999)<sup>26</sup>. The analysis provides indicative insights into employers' perspectives about the extent of skill shortages amongst associate professional occupations, however caution should be applied when interpreting the results due to the very small numbers of employers involved.

Table 21 provides indicative evidence about the extent to which there are hard to fill vacancies for associate professional employees. It is clear that the extent to which associate professionals experience hard to fill vacancies as a proportion of all vacancies differs across the occupational group.

<sup>26</sup> The data used are coded to two digit SOC90 rather than SOC2000 and is therefore not directly comparable to the Labour Force Survey categories used in the previous sections.

Table 21: The incidence of hard-to-fill vacancies across the associate professional occupation

Occupation	Number of vacancies <sup>27</sup>	Proportion of hard-to-fill vacancies (%)	Proportion of skill related hard-to-fill vacancies (%)
Legal associate professionals	541	69	69
Business & finance associate professionals	4000	41	26
Associate professional & technical occupations	5000	22	10
Buyers, brokers and related agents	559	49	20
Sales representatives	18000	55	30
All employers (all SOC codes)	558000	44	18

Source: Employers Skills Survey 1999

Hard to fill vacancies as a proportion of all vacancies was highest in the legal associate professional group with 69 per cent of vacancies considered hard to fill; all of them were considered to be skill related hard to fill vacancies.

Around half of all vacancies found in the buyer, broker and related agents and sales representatives occupations are considered hard to fill. However the proportion of skill related hard to fill vacancies was lower with around 20 per cent of all vacancies in the buyer, broker and related agents and 30 per cent of all vacancies in the sales occupational group being considered to be skills related.

The incidence of hard to fill vacancies as a proportion of all vacancies was higher in every associate professional category, except associate professional and technical and business and finance associate professionals than across the labour market as a whole. Only the associate professional and technical occupational group had a lower proportion of skills related hard-to-fill vacancies as a proportion of total vacancies than the UK labour market average.

The length of hard-to-fill vacancies differed across the various business and public service occupations. The key findings include the fact that:

- Across all occupations, 26 per cent of all hard-to-fill vacancies lasted more than 6 months.
- The proportion of hard-to-fill vacancies lasting over 6 months was generally higher amongst associate professionals. For example, the proportion of hard to fill vacancies lasting more than 6 months ranged

<sup>27</sup> Weighted data



from 32 per cent amongst business associate professionals, 28 per cent for associate professional and technical employees and 29 per cent for sales employees.

- The majority of hard-to-fill legal associate vacancies last for between 2-6 months.

Table 22 demonstrates the main reasons why employers were finding it difficult to fill vacancies across the various associate professional occupations.

The principal reason considered to be causing hard to fill vacancies within the UK labour market was a lack of availability of people with the appropriate skill set required to do a particular job. This was also the principal reason cited by the majority of associate professional groups. Greater proportions of legal and business and buyers and brokers associate professionals noted the lack of suitably skilled applicants to be a cause of hard to fill vacancies.

Differences exist in the factors influencing hard-to-fill vacancies between the component parts of the associate professionals group. The lack of experience of potential candidates was a particularly important hindrance for employers looking to recruit people into buyer and broker, sales and business associate professional positions. Meanwhile, amongst the legal executives associate professional group there appears to be too few people wanting to work in these positions with the required attitude, motivation or personality.

Table 22: Reasons for hard-to-fill vacancies amongst business and public service associate professional occupations<sup>28</sup>

Reason	Legal (%)	Business (%)	Associate Profs & Technical (%)	Buyers, brokers etc (%)	Sales (%)	All SOCs (%)
Too much competition from other employers	28	22	10	6	20	17
Not enough people interested in this type of job	28	18	29		33	26
Company does not pay enough		11		6	6	14
Low number of applicants with the required skills	100	89	64	80	61	78
Low number of applicants with the required attitude, motivation or personality	57	22			56	27
Low number of applicants generally	57	22			30	27
Lack of experience the company demands	28	45	33	89	53	33
Lack of qualifications the company demands	28	8	34		10	18
Company location		4	4		1	2
Irregular/unsocial hours		10	7	11	2	13
Conditions of work offered unattractive to applicants		3	4		2	3
Other			2			1

Source: Employers Skill Survey, 1999

Table 23 highlights the key skill shortages believed to create hard-to-fill vacancies in the business and public service associate professional occupations. The principal skill shortage impacting upon associate professional occupations was an

<sup>28</sup> Note that totals can add up to more than 100 per cent as respondents could choose more than one response.

inability to find people with the appropriate technical and practical skills to carry out their daily tasks successfully. This was particularly true for buyer and broker occupations where 94 per cent of employers with a skills-related hard-to-fill vacancy noted that it was due to people lacking technical and practical skills. Communication and customer handling skills were the key skill shortages mentioned by firms seeking to recruit legal associate professionals.

*Table 23: Skill shortages stimulating skill-related hard-to-fill vacancies<sup>29</sup>*

	<b>Legal (%)</b>	<b>Business (%)</b>	<b>Associate Profs &amp; Technical (%)</b>	<b>Buyers, brokers etc (%)</b>	<b>Sales (%)</b>	<b>All SOCs (%)</b>
Basic computer literacy skills	-	15	16	-	5	7
Advanced IT or software skills	28	14	17	-	6	12
Other technical and practical skills	43	57	51	94	25	47
Communication skills	77	42	15	72	51	27
Customer handling skills	77	23	44	72	33	26
Team working skills	28	9	48	83	14	22
Foreign language skills	-	-	16	9	1	3
Problem solving skills	49	17	-	83	16	20
Management skills	28	18	20	72	10	14
Numeracy skills	-	11	3	-	16	12
Literacy Skills	-	11	-	9	14	13
Other	15	29	6	6	16	17

*Source: Employers Skills Survey, 1999*

Table 24 highlights the impact of skill-related hard-to-fill vacancies on employers.

<sup>29</sup> Note that totals can add up to more than 100 per cent as respondents could choose more than one response. Percentages relate to proportion of skill related hard to fill vacancies.

Table 24: The impacts of having skill-related hard-to-fill vacancies

	Legal (%)	Business (%)	Associate Profs & Technical (%)	Buyers, brokers etc (%)	Sales (%)	All SOCs (%)
Loss of business orders to competitors	15	40	36	83	52	39
Delays developing new products or services	9	36	39	22	36	45
To withdraw from offering certain products or services altogether		16	37		10	22
Difficulties meeting customer service objectives	100	48	50	83	31	59
Difficulties meeting required quality standards	37	27	30	17	13	36
Increased operating costs	28	33	59	11	11	41
Difficulties introducing technological change		17	15		4	19
Difficulties introducing new working practices		21	27	11	9	28

Source: Employers Skill Survey, 1999

The key ways in which skill related hard-to-fill vacancies impacted on employers were as follows.

- The main effect was an inability to meet the needs of customers. This was particularly apparent where skill related hard to fill vacancies were located in the buyers, brokers and related agents and legal associate professional groups.
- Where associate professional and technical skill related hard to fill vacancies were evident these were most likely to cause a rise in operating costs. Indeed skills related hard to fill vacancies were more likely to cause a rise in operating costs than found across the labour market as a whole.

### 3 **Synthesis**

The associate professional occupational group is extremely heterogeneous and multifaceted and subjected to a wide array of forces that give rise to a plethora of outcomes. As a consequence, a meaningful, holistic analysis of the entire occupational group is extremely difficult if not impossible. It is therefore not surprising that there is a dearth of information explicitly about the associate professional occupational group.

This situation is made all the more difficult by the fact that the term associate professional is in some cases used concurrently with the expression ‘intermediate skills’ despite the fact that the educational attainment attributed to each can be different. Future work must therefore ensure that the terminology adopted is coherent in order to avoid confusion. The variety of qualification frameworks in existence perhaps bears testimony to the difficulties that could occur if a consistent approach to terminology is not adopted.

This review has shown that the existing work on associate professionals typically falls into two categories:

- *Generalist* - where work into associate professional occupations has been incorporated within work on the labour market as a whole, with associate professionals typically mentioned largely as part of occupational forecasts; or
- *Industry specific* – where associate professionals are mentioned briefly as part of a wider industry analysis, as with the work undertaken by bodies such as National Training Organisations.

As a result, although this work has been able to demonstrate that associate professionals and intermediate level skills are becoming increasingly important as sources of employment it has provided few insights into the structure, employment trajectories, educational attainment and skills needs of associate professionals. Nor has the work carried out to date provided any comprehensive information on the extent to which this has changed over time.

The existing literature intimates that employers are finding it increasingly difficult to recruit appropriately skilled associate professionals and that this situation is likely to worsen as the demand for associate professional occupations rises. Policy developments e.g. the introduction of the foundation degree have been instigated in order to try to prevent future skill shortages becoming skill gaps or deficiencies. The foundation degree is demand led and has been designed explicitly to provide people with the prerequisite skills needed by employers for people working in associate professional roles.

In order for the foundation degree to achieve its aims and provide employers with appropriately skilled associate professionals a clear understanding of the current nature of the composition and educational attainment of associate professional

occupations is required. KPMG began this process through its examination of secondary data pertinent to the business and public service associate professional group.

The key findings of this analysis can be summarised as follows:

- Between 1996 and 2000 total employment growth in the business and public service associate professional occupational group was higher than found across the labour market as a whole.
- The sales and related associate professional group represents the largest sub-group of the business and public service associate professional occupational group. However, its share of total employment in the wider occupational group has fallen over time.
- The public service and other associate professional group experienced the largest increase in its share of the aggregate occupational group between 1992 and 2000.
- The employment trends shaping the character of the business and public service occupation between 1992-2000 are expected to continue up until 2010. It is however suggested that the rate of growth predicted for some sections of the occupational group might be slightly overstated.
- The largest single concentration of business and public service associate professional occupations are located in the banking, finance and business services sector.
- Over time there has been a slight decrease in the length of job tenure found across the business and public service associate professional occupations.
- The majority of people currently working in associate professional positions were in work twelve months previously.
- Most people currently in employment in the business and public service associate professional group were also employed in this group twelve months previously.
- Over time the level of educational attainment achieved by people employed in business and public service associate professional occupations has risen.
- The proportion of people employed in associate professional occupations with higher, first or other degrees is higher than across the labour market as a whole. Other degrees are more prevalent amongst these occupations than across the labour market as a whole; however their importance has decreased over time.

- There has been a significant rise in the proportion of people in the business and public service associate professional group that hold first degrees.
- The proportion of people whose highest qualification is O level or equivalent is higher amongst the business and public service associate professional group than across the labour market as a whole. However the proportion of people with this level of educational attainment that work in these occupations fell over time.
- Fewer people employed in the business and public services occupational group hold no qualifications compared to the labour market as a whole.
- There are distinct differences in the educational attainment of the different business and associate professional groups. For example, the legal associate professional group has a higher proportion of people achieving higher-level qualifications.
- There has been a significant rise in the number of people who hold NVQ level 4 qualifications. Indeed, by 2000 over a third of people employed in the business and associate professional occupation had achieved this level of educational attainment.
- The educational attainment of business and public service associate professionals appears to have shifted towards NVQ level 4. The main reason for the rise in importance of NVQ level 4 qualifications has been the growth in the proportion of people with first degrees.
- Levels of participation in job-related education and training appear similar to those across total employment.
- The proportion of vacancies that were considered hard to fill was higher in the legal associate professional and buyer, brokers and sales associate professional occupations than across the sub-major group as a whole.
- Low numbers of applicants with the required skills was the principal reason cited by all the associate professional groups for the existence of hard-to-fill vacancies.
- With the exception of the legal profession, the principal skill shortages affecting the associate professional occupation is the lack of technical and practical skills, suggesting that people could not carry out their daily job tasks effectively.
- The main impact of skills related vacancies was an inability to meet customer requirements.

By mining the Labour Force Survey and the Employer Skills Survey it has been possible to provide new insights into the structure and educational attainment of

the business and public service associate professional occupational group during the 1992 to 2000 period.

Information has also been gleaned about the disparate employment characteristics of the minor component parts of this occupational group. In order to gain an understanding of the forces driving the trends highlighted throughout this appendix, in depth case studies were carried out. The detailed findings of which are presented in appendix 2

When choosing the case studies for the primary data collection phase of this project the following key criteria were applied:

- 1 Case studies were selected from *growth* occupational groups, as demand for these employees is likely to be high for the foreseeable future. A clear understanding of the skill needs of these occupations is therefore important in order to ensure that the educational and training mechanisms in place produce people with the prerequisite skill sets. The continued decline of the transport associate professional group meant that this occupational group was excluded from the case study analysis.
- 2 Occupations were selected that display a variety of entry routes and educational levels.
- 3 To gain a full understanding of changing employment trajectories amongst associate professional occupations an understanding of the extent to which people enter these occupations in order to access professional occupations is required. The case studies selected therefore include those that are affiliated to professional bodies such as the Institute for Personnel Development or the Chartered Insurance Institute.
- 4 Those occupations, that are extremely small in nature or are characterised as having extremely specialist skills, should be precluded from the case studies e.g. conservation occupations.

The following case studies were selected for analysis.

### **Case study 1: business and finance associate professionals SOC 353**

#### *Occupations for analysis: 3533 Insurance Underwriters*

- The business and finance associate professional group is expected to experience significant growth between 1999-2010 and as such will play an important role in job creation.
- This occupational group is located within the dynamic banking, finance and business services sector. This sector is currently undergoing rapid change due to the emergence of new competitors, globalisation, regulation and technological change all of which will have an impact on skills and job roles.



- Professional institutes play an important part in the training of this occupational group e.g. The Chartered Insurance Institute.
- Entry into occupations such as insurance underwriters is via a variety of levels from entry level through to degree level.
- In 2000 this occupational subgroup had the highest proportion of its employees educated to NVQ level 3 of all the minor associate professional groups.

### **Case study 2: public service and other associate professional group. SOC 356**

*Occupation for analysis: 3562 Personnel and Industrial Relation Officers*

- The public service and other associate professional group experienced the fastest growth of all the business and public service categories. This significant expansion is likely to have impacted upon job roles, skills and qualifications.
- This occupational group is expected to experience around 3 per cent annual increase in employment during the 1999-2010 period and will continue to be an important source of employment during the foreseeable future.
- This occupational group had the highest proportion of people employed at NVQ level 4 of all business and public service associate professional groups.
- Entry into these occupations is at a variety of levels with training provided largely by a professional institute.
- The major growth within this occupational group appears to have been located in the personnel and industrial relations sub-group. This occupation has undergone significant restructuring during the past decade and has been affected by the growth of new forms of recruitment e.g. recruitment agencies will have had an impact upon the types of people entering the occupation.

### **Case study 3: legal associate professionals: SOC 352**

*Occupation for analysis: Legal Associate Professionals*

- Despite only representing 0.1 per cent of total employment the occupation grew by around 32 per cent between 1992 and 2000. This occupation is expected to experience medium growth during the 1999-2010 period.

- The legal associate professional group has a distinctive level of educational attainment with higher proportions of entrants with degrees and higher degrees. By 2000 almost half the people working in this occupation had achieved an NVQ level 4 or above qualification. This occupational group has also experienced a shift in the type of degree held by employees away from 'other degrees' towards first degrees.
- Occupational mobility to a professional role may be difficult for people employed as legal associate professionals. In this sense this group could be considered a 'traditional' associate professional group. This case study will therefore provide rich insights into occupational mobility and employment trajectories.
- Entry levels into this associate professional occupation are typically higher than for other occupations.
- Professional bodies play an important role in training and development across the legal sector.

#### **Case Studies 4 and 5: sales and related associate professionals: SOC 354**

*Occupations for analysis: Estate Agents (3544)*

*Market Researchers (3543)*

- This occupational group forms the largest of all business and associate professional occupations accounting for 34 per cent of all employment by 2000. Employment growth has however slowed in this occupational group with more modest growth expected up to 2010. The reasons behind this slowing growth may reveal interesting trends in changing jobs roles in these occupational groups.
- This group has significantly more occupations where qualifications do not necessarily facilitate entry. In 2000 43 per cent of employees held a highest qualification of NVQ 2 or below. The educational attainment levels of people employed in this group are therefore different to the other suggested case studies.
- This occupational group has below average levels of people with first degrees compared to the other associate professional groups.
- The evidence suggests that there is occupational mobility between sales and associate professional occupations.
- Professional bodies tend to play a limited role in the training and development of employees.

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## 6 Annex I: organisations contacted during the first phase

<b>Organisation</b>	<b>Contact</b>	<b>Job Title</b>
<b>National Training Organisations</b>		
Council for Administration	Rebecca Strong	Senior Officer, Labour Market Intelligence
E Business / IT NTO	Liz Addison	Researcher
Employment NTO	David Morgan	Business Development Manager
Institute of Customer Service (NTO)	David Parsons	Training & Development Director
LANTRA	Jackie Cox	Labour Market Development Assistant
Property Services NTO	Liz Kingdom	Projects Manager
Rail Industry Training Council	Paul Richardson	Projects Manager
Transfed	Peter Huntingdon	Chief Executive
Local Government NTO		
ANTO	Anthony Doherty	Chief Executive
<b>National Agencies</b>		
Learning & Skills Development Agency	Paul Fielding	Information Officer
<b>Regional Development Agencies</b>		
East of England Development Agency	Mark Dees	Skills Analyst
Advantage West Midlands	Janet Rice	Skills Team
South West RDA		Head of Skills
North West RDA	Kevin Morley	Education and Training Information Officer
North East RDA		Skills Team
East Midlands RDA	Sue Kirby	Skills Team
London Development Agency	Patrick McVeigh	Deputy Head of Skills
South East RDA	Kathy Slack	Head of Skills Policy
<b>Local Government</b>		
Bromley Borough Council	Oliver O'Dell	Planning Officer
Devon County Council	Paul Baker	Marketing & Information Officer
Gravesham Borough	Simon Hookway	Economic Development

Council		Officer
Somerset TEC	Alison McCarthy	
<b>Institutions</b>		
British Computer Society	Stephen Blanchard	Operations Director (Membership)
Chartered Institute of Bankers	Jo Say	Business Research Information Officer
Chartered Institute of Insurance	Tony Tudor	Director of Qualifications & Research
Chartered Institute of Management Consultants	Craig Buckley	Data Department
Chartered Institute of Purchasing & Supply	Carole Bain	
Institute for Actuaries	Elizabeth Goodwin	
Institute for Chartered Accountants	Leslie Sopp	
Institute of Financial Accountants	Sharon Jandu	PR Officer
Institute of Management	Andrew McDonald	Policy & Research Department
Institute of Management Accountants	Ian Barrett	Chief Executive
Institute for Personnel & Development	Judy Whittaker	Director, Membership and Education
Law Society	Bill Cole	Senior Research Officer
National Air Traffic Service	Ben Bradshaw	HR Analyst
National Association of Estate Agents	Hugh Dunsmore-Hardy	Chief Executive

## Annex II: SOC codes used in LFS analysis

SOC 2000	SOC 1990	Group Title (SOC 1990)
<b>351: TRANSPORT ASSOCIATE PROFESSIONALS</b>		
<i>SOC 2000 Job Titles: Air traffic controllers; Aircraft pilots and flight engineers; Ship and hovercraft officers; Train drivers</i>		
	330	Air traffic planners and controllers
	331	Aircraft flight deck officers
	332	Ship and hovercraft officers
	882	Rail engine drivers and assistants
<b>352: LEGAL ASSOCIATE PROFESSIONALS</b>		
<i>SOC 2000 Job Titles: Legal associate professionals</i>		
	350	Legal service and related occupations
<b>353: BUSINESS AND FINANCE ASSOCIATE PROFESSIONALS</b>		
<i>SOC 2000 Job Titles: Estimators, valuers and assessors; Brokers; Insurance underwriters; Finance and investment analysts/advisers; Taxation experts; Importers, exporters; Financial and accounting technicians</i>		
	360	Estimators, valuers
	361	Underwriters, claims assessors, brokers, investment analysts
	703	Air, commodity and ship brokers
	362	Taxation experts
	702	Importers and exporters
	399	Other associate professional and technical occupations nec
	364	Organisation and methods and work study officers
<b>354: SALES AND RELATED ASSOCIATE PROFESSIONALS</b>		
<i>SOC 2000 Job Titles: Buyers and purchasing officers; Sales representatives; Marketing associate professionals; Estate agents, auctioneers</i>		
	700	Buyers (retail trade)
	701	Buyers and purchasing officers (not retail)
	710	Technical and wholesale sales representatives
	170	Property and estate managers
<b>355: CONSERVATION ASSOCIATE PROFESSIONALS</b>		
<i>SOC 2000 Job Titles: Conservation and environmental protection officers; Countryside and park rangers</i>		
Cannot be defined satisfactorily using SOC 90 data		
<b>356: PUBLIC SERVICE AND OTHER ASSOCIATE PROFESSIONALS</b>		
<i>SOC 2000 Job Titles: Public service associate professionals; Personnel and industrial relations officers; Vocational and industrial trainers and instructors; Careers advisers and vocational guidance specialists; Inspectors of factories, utilities and trading standards; Statutory examiners; Occupational hygienists and safety officers (health and safety); Environmental health officers</i>		



	103	General administrators; national government (HEO to Principal/Grade 6)
	363	Personnel and industrial relations officers
	391	Vocational and industrial trainers
	392	Careers advisers and vocational guidance specialists
	394	Inspectors of factories, utilities and trading standards
	395	Other statutory and similar inspectors nec
	396	Occupational hygienists and safety officers (health and safety)
	348	Environmental health officers

**Department for Education and Skills**

Appendix 2

The Skills Dynamics of Business and Public  
Service Associate Professionals: Case Study  
Report

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# 1 Introduction

This appendix outlines the detailed findings of the case study element of this piece of research. In doing so it provides a comprehensive picture of the skill requirements of each of the selected case study occupations and highlights how these skills are most effectively developed.

Five business and public service associate professional occupational<sup>1</sup> sub-groups were selected for case study analysis. These included:

- 3533 - Insurance underwriters
- 3520 - Legal associate professionals
- 3562 - Personnel and industrial relations officers
- 3543 - Market research
- 3544 - Estate agents

The case studies explored the following issues:

- the extent to which the demand for people working in these occupations has changed over time;
- the skills required to undertake the job roles of people employed in these positions and the extent to which these have changed or are expected to change over time;
- the entry routes into these associate professional occupations e.g. recruitment strategies;
- the qualifications held by people employed in these positions and the role of professional bodies in the career development of people working in these occupations;
- skill development strategies e.g. training and the role of professional bodies ; and
- ‘typical’ career paths of people working in these occupations.

A three-pronged methodology was adopted for the case study element of the research. Firstly, telephone interviews were undertaken with at least ten employers who recruit and employ people within each of the selected associate professional occupational subgroups. This phase provided insights into employers’ changing skill demands for people employed in these positions and

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<sup>1</sup> Using SOC 2000 definitions

generated information as to how employers source and develop these skills. Secondly, a mixture of focus groups and telephone interviews were undertaken with employees working in these business and public service associate professional occupations. This phase produced information on 'typical' career histories of people employed in these occupations and highlighted the extent to which job roles had changed. Finally, in-depth interviews were undertaken with key representatives of professional bodies with responsibility for overseeing the 'professional' development of people pursuing careers in these occupations. The findings from the three research phases utilised in the case study element of the research are synthesised throughout this appendix.

The business and public service associate professional occupations selected for analyses encompass a number of sub-occupations, each of which have different skill-sets and entry requirements. In order to capture the diverse nature of jobs found within the case study occupations, they were sub-divided as follows:

- insurance underwriters;
- legal associate professionals: barristers' clerks, legal executives;
- personnel and industrial relations officers: personnel officers and recruitment consultants;
- marketing associate professionals: market research;
- estate agents: residential agency and commercial estate agents.

The following sections present the key findings for each of these business and public service associate professional occupations separately.

## 2 Case study 1: insurance underwriters –3533

### 2.1 Introduction

Insurance underwriters fall within the business and finance associate professionals group (353). The business and finance associate professional group experienced significant growth during the 1992-2000 period and was forecast to continue to experience above average growth up until 2010. On the whole, people employed in this occupational group tend to be working in the ‘dynamic’ banking, finance and business services sector. This sector has been, and continues to be, subject to significant change caused by a variety of factors such as the emergence of new competitors, globalisation, corporate mergers, regulation and technological change which are likely to have had an impact on the skills and job roles of people working across the sector.

According to the SOC 2000, insurance underwriters (3533) ‘measure and identify risks associated with an activity and determine whether this risk is insurable and issue policies.’ The remainder of this chapter explores this categorisation and identifies the extent to which the job roles, skill requirements and career paths of insurance underwriters have changed over time. It then moves on to highlight the development mechanisms considered most appropriate in developing the skills needed to perform this job role.

### 2.2 Contextual information – key characteristics of the case studies

The case studies, drawn from across the insurance sector, reflect the diverse range of firms in which insurance underwriters are employed. The sample includes large insurance companies, which offer a wide range of insurance products as well as small and medium sized enterprises that offer specialist, underwriting services to insurance brokers. The skill trends found within this sample are considered indicative of those affecting insurance underwriters across the wider UK labour market.

*Table 1* highlights the employment structure of the case study firms showing that during the past five years the majority of firms increased the total number of people they employ. This finding appears counter to recent research that suggested that the total number of people employed in the insurance sector is declining. This decline was attributed largely to industry consolidation and technological advances.<sup>2</sup> Employment contraction was evident amongst the larger case studies. As the larger firms employ the highest proportion of total employees within the sector, this decline is likely to outweigh the negligible growth experienced by the small to medium sized firms.

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<sup>2</sup> KPMG (2001) ‘Financial Services Skills Dialogue Report’ for DfES.

Where employment growth was evident, this had usually been caused by an expansion in the amount of business the firms underwrite. Employment growth due to business expansion was most prominent amongst the smaller, specialist underwriting firms rather than amongst 'traditional' insurance companies. This feature reflects the fact that these companies are growing due to an increase in demand from broker services, which is the market that they predominantly serve.

The proportion of the workforce made up of people employed as underwriters varied considerably between case studies. Small firms providing specialist, underwriting services had higher proportions of employees as insurance underwriters because underwriting is the mainstay of their business. However, larger firms offering a wide range of insurance services tended to have very low proportions of insurance underwriters in the workforce. This finding may actually hide the real proportion of people undertaking underwriting type roles. Technological developments have meant that people employed in front-line activities now frequently undertake a limited form of underwriting. However, it is suggested that the people employed in these positions are unlikely to consider themselves underwriters.



Table 1: Employment Structure of Case study Firms

Identifier	Main product area	Number of Employees	Employee Growth	Reason for Change	Proportion of Insurance Underwriters (%)
I1	General Insurance	500	Significant growth	Acquisition	52
I2	Credit Insurers	<100	Increased	Business Expansion	37
I3	General Underwriting	<100	Increased	Business Expansion	35
I4	Industry Specific Underwriters	110	Static	N/A	11
I5	General Insurance Underwriting	<100	Increased	Business Expansion	29
I6	Underwriting Syndicate	30	Increased	Business Expansion	60
I7	General Insurance	10,000	Fallen	Business Realignment	2 <sup>3</sup>
I8	General Underwriting	100	Increased	Business Expansion	21
I9	General Underwriting	120	Increased	Business Expansion	17
I10	General Insurance	1,000	Increased	Acquisition	1
I11	Commercial Insurers	1000+	Increased	Acquisition	*
I12	Motor Insurance	1300	Increased	Business Expansion	*
I13	General Insurance	600	Fallen	Business Realignment	*

<sup>3</sup> It should be noted that this represents the proportion of people who actually have the job title underwriter. Respondent however noted that large proportion of telesales based people now carry out basic underwriting functions

\* unknown

Source: KPMG, 2001

## 2.3 The nature of demand for insurance underwriters

Two disparate trends are evident in the demand for insurance underwriters. Indeed, there is evidence of both an increase and decrease in the demand for underwriters. These trends differ depending upon the size of the firm and its role within the insurance sector supply chain (see Table 2).

The demand for insurance underwriters has risen amongst small, specialist underwriting companies. This increase in demand has been stimulated<sup>4</sup> by business expansion. However, the level of actual employment growth achieved was small, with most firms adding fewer than 5 additional underwriters within the last 5 years. *Case study 16* for example, which had around 30 employees and provided underwriting services to brokers, noted that it needed more underwriters, “because we’ve entered new areas of business and we need new underwriters to underwrite them. Prior to January 2000, the business only operated in one segment of the insurance market, which was construction liability business. From January 2000, we also brought in a team of underwriters which operated in general liability - professional indemnity, property insurance and commercial combined schemes business.”

Amongst smaller companies, future demand for underwriters is expected to increase in-line with business growth. Technological developments may however reduce the need for additional insurance underwriters to service this business growth. As *case study 11*, a medium sized underwriting firm providing underwriting services to a wide range of brokers, predicted, the demand for underwriters would fall because, “we are getting more systems in place now. As we acquire companies we put in our own systems and therefore we tend to cut down on numbers of underwriters rather than increase them.”

Conversely, the demand for traditional underwriters has declined within larger insurance companies. During the early 1990s, large insurance companies typically had substantial underwriting departments where employees carried out technical underwriting largely in a manual fashion. The significant number of mergers occurring across the UK insurance sector has reduced the number of underwriting departments and job opportunities available. Technological developments have simplified and accelerated the underwriting process. These developments have reduced the need for large underwriting departments as well as allowing non-underwriters to engage in the underwriting process.

This phenomenon was highlighted by *case study 17*, a large general insurer that noted; “More and more underwriting is being done electronically via expert systems. Indeed, the people operating the computers are now relatively junior people. They’re just in-putting the information.... More and more we’re going for direct access from the salesperson that’s taking information from the customer

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<sup>4</sup> A large proportion of these firms began operating in the previous five years.

onto a laptop, which is downloaded directly into systems in the chief office. The whole process is now almost untouched by human hand.”

Table 2: The Changing Nature of Demand for Insurance Underwriters

<b>Identifier</b>	<b>Main product area</b>	<b>Demand for Underwriters</b>	<b>Reason for Change</b>	<b>Future Demand</b>
<i>I1</i>	General Insurance	Increased	Acquisition	Decline due to IT developments
<i>I2</i>	Credit Insurers	Slight Increase	Business Expansion	Increase due to business expansion
<i>I3</i>	General Underwriting	Significant increase	Business Expansion	Continued growth due to business expansion
<i>I4</i>	Industry Specific Underwriters	Fallen	Business Reduction	Acquisition mean have extra staff
<i>I5</i>	General Insurance Underwriting	Static	N/A	N/A
<i>I6</i>	Underwriting Syndicate	Growth	Business Expansion	Increase as in expansionist phase
<i>I7</i>	General Insurance	Decreased	IT developments	Decrease due to IT advancements
<i>I8</i>	General Underwriting	Slight growth	Business Growth	Static
<i>I9</i>	General Underwriting	Growth	Business Growth	Technology means demand will slow
<i>I10</i>	General Insurance	Static	N/A	Technology and outsourcing
<i>I11</i>	Commercial Insurers	Fallen	Technological developments	Fall due to technology
<i>I12</i>	Motor Insurance	Growth	Business Expansion	Slight growth
<i>I13</i>	General Insurance	Fluctuated	Technology	Fall due to technology

Source: KPMG, 2001

Technological developments are expected to continue to reduce the demand for ‘technical’ underwriters over the medium to long term. *Case study I7* highlighted this trend, noting that “our life insurance is now totally geared up to do as much electronic processing as possible. We are still working on the non-life side and are implementing a new system which will have a significant impact on the number of underwriters in the future.”

Demand for underwriters is expected to continue amongst the smaller, specialist underwriting companies as larger companies outsource particular areas of underwriting. However, total employment growth is likely to be negligible in the future because the larger firms will continue to require fewer underwriters. This trend was corroborated by *case study I10*, a large life insurer that noted, “as far as this company’s concerned the number of underwriters will probably decrease. We’ve out-sourced a number of products that require medical underwriting to other companies and all we’re really underwriting at the moment is life business. Our income protection business and our critical illness business have been outsourced to another company. Therefore, unless the company changes its direction on outsourcing business, I can’t see that we would want any more underwriters in the foreseeable future.”

The key tasks that underwriters perform include:

- Drafting and wording insurance policies and setting the criteria that need to be met in order to allow the business to consider insuring the individual or business. They also set various levels of discretion, which may allow certain non-standard cases to be referred for further analysis in order to explore the business case for insurance.
- Determining the rates at which insurance policies should be set in order to ensure that the company writes profitable business. Design policies in order to detect and limit fraud.
- Examining proposals and use their accumulated technical knowledge (e.g. on the risk associated with insuring a particular type of business, individual or piece of property) to determine whether the company should take-on the risk.

Not all people working in an insurance underwriting capacity carry out all these tasks within their job roles. Increasingly, insurance underwriting is being channelled in two directions with the role separating into ‘technical’ and ‘sales’ underwriters<sup>5</sup> each of which has discrete job tasks and roles. This trend is most evident in large insurance firms that have significant proportions of their workforce employed in ‘tele-sales’ type positions.

The specialist ‘technical underwriter’ typically has significant, industry-specific experience and as such carries out, at varying levels, all of the previously outlined tasks. People employed in these positions can be considered traditional underwriters. The more senior ‘technical’ underwriters also tend to have responsibility for managing this ‘technical’ area. Within the underwriting team, employees are given different ‘limits’ of discretionary authority concerning the types of business they are allowed to assess, accept and underwrite.

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<sup>5</sup> As both technical and sales underwriter assess risk (albeit at different levels of authority) which is the fundamental job task of an underwriter, both types of underwriter are considered to be associate professionals.

However, technological developments have meant that people who work in sales and customer service positions now carry out a limited underwriting role when they take proposals from prospective new clients. This has given rise to the second type of underwriter, the 'sales' underwriter. The technological systems in place underwrite and process the sale on behalf of the employee. Sales underwriters generally have no authority to assess risk on non-standard applications, which need to be referred to 'technical underwriters'.

This difference in underwriting roles is shown by *case study 19*, a medium sized insurance firm which noted, "We as a company concentrate on the non-standard household insurance market. If you compared us, say, with a strong household name where they just want the standard business and it's very much driven by a screen telling them what to do, we're the opposite end of the spectrum to that...So it needs more of a technical input. The underwriters deal with referrals from our brokers and those referrals will be because it's a little bit non-standard or because it's over that broker's authority. They will provide quotations for the broker, whether that is for new business or a mid-term adjustment such as a change of address or the inclusion of an item in a policy. In addition, they will provide the renewal terms to that broker. So at all times they're working within parameters in terms of what rate or premium they can charge for that amount of business but they also have discretion to apply a discount depending upon the size of an account, the performance of a particular policy during the course."

In general though, insurance underwriters, "take in information from policy-holders or potential policy-holders, they review that information against standards and decide whether the risks can be accepted or not" (*Case study 11*). As such underwriters "accept and assess risk. They quote, they listen to what people want and try to offer them what they want and give a price for it" (*Case study 13*).

### 2.3.1 **The changing nature of the job role of insurance underwriters**

The employers in the survey generally suggested that the tasks undertaken as part of the underwriting role had not changed over time. *Case study 12* gave a typical response when it noted that, "the tasks haven't changed they're fundamental, they have stayed the same." Employees on the whole concurred with this view and suggested that the fundamental tasks associated with being an underwriter had not changed.

This finding appears counter to the fact that insurance underwriting has 'split' in two with the emergence of technical and sales underwriting roles. However, despite the emergence of the new sales underwriting role, the principal task associated with underwriting remains to assess risk on an insurance proposal. The major difference between the two different underwriting roles is:

- (i) the level of discretion an individual has when making an underwriting decision,

- (ii) and the depth of underwriting technical knowledge an individual requires to make that decision.

Underwriting employees noted that the major change to the underwriting job role has been the fact that instead of undertaking a manual assessment of risk and applying technical knowledge in a manual fashion, computer technology has meant that this part of the job role is now redundant. For example, employees noted that they now do not often refer to underwriting manuals when making a risk assessment as this information is contained within the firm's computer system. Technological advancements facilitated this shift and moved the underwriting process into the sales environment.

As such, whilst the “the generic task has remained very similar, the method of operation has changed to become more involved with e-commerce and computers in general. The technical tasks have remained the same though – identifying a quality risk, the price that will make that risk profitable and the negotiation of the terms of the policy” (*Case study 16*).

## 2.4 **Skills and attributes of insurance underwriters**

In order to undertake the role of an insurance underwriter successfully, individuals need to possess a mixture of technical and generic skills as well as highly developed personal attributes. The key technical and generic skills and personal attributes required to undertake the role of an insurance underwriter are listed in Table 3. It should however be noted that the skills required by technical underwriters differ from those of sales based underwriters. On the one hand, people employed in technical underwriting positions require a high-level of technical skill and knowledge as well as highly developed generic skills and personal attributes. On the other hand, ‘sales’ underwriters, need less developed technical skills and knowledge but higher levels of generic skills and personal attributes.

Table 3: Skills and Attributes of Insurance Underwriters

Technical <sup>6</sup> Skills	Generic Skills	Personal Attributes
Risk analysis and decision making	Accuracy	Inter-personal skills
Ability to identify and source technical information to inform risk analysis	Analytical Skills	Confidence
Bespoke underwriting statistical techniques	Customer handling	
Insurance policy writing	IT skills/computer literacy	
Bespoke IT system skills	Negotiation skills (basic)	
Insurance specific selling skills	Numeracy	
	Problem-solving	
	Sales skills (basic)	
	Team working	
	Written skills/literacy	

Source: KPMG, 2001

Technical skills refer to those skills needed by the underwriter to gather the information they require about the area of the market in which they operate in order to make an assessment of risk e.g. information on property or about a particular industrial sector. Individuals must therefore know where to find the relevant information sources through utilising research and information skills. Analytical skills are therefore key in order for the underwriter to analyse the case presented before them and judge whether it meets the criteria previously set and the level of risk the proposal poses. As such, the key technical skills associated with the underwriting role are the ability to access the information needed and make an informed decision based on an analysis of risk.

In order to facilitate this process, underwriters require a range of generic and interpersonal skills in order to be able to communicate effectively with the client, whether this be directly with clients or via a broker. Underwriters need high level selling and negotiating skills in order to sell the client the appropriate cover and close the deal.

IT skills have become more important following the introduction of technology. A range of IT skills are required, which include the ability to input data and manipulate the in-house systems when taking a proposal through to database interrogation and statistical analysis.

<sup>6</sup> Technical skills are those specific to the particular job role.



In addition, when devising and writing policies, underwriters need to be able to have good writing skills, judgement and legal knowledge in order to ensure that the policies meet the standards set by the industry regulator.

Good customer handling and interpersonal skills have become more important within the underwriting role. As customers demand increasingly high levels of service, insurance firms are using customer service as a tool to differentiate themselves from other competitors in the marketplace. Customer handling and interpersonal skills are especially important for insurance underwriters working at the customer interface.

Insurance underwriters require a range of technical, generic and interpersonal skills in order to perform the job tasks contained in their job role. The combination of skills required depends upon the underwriting role an employee performs. Technical skills are particularly key for people performing ‘technical’ underwriting roles. However, the proportion of employees with this high degree of technical knowledge working in underwriting positions has declined across the sector. However, employees considered that the ownership of these technical skills and knowledge did allow people to fulfil the job role more satisfactorily and in certain instances allowed employees to provide a higher level of customer service.

#### 2.4.1 **The changing skill requirements of insurance underwriters**

By and large, employers did not consider that the technical skills needed to undertake the role of an insurance underwriter had changed. As *case study 14* noted, “I would say they have remained pretty constant. It’s the ability to read a report, assess it, take out the salient points and make a judgement. I would say that’s not changed that much.”

The only area in which employers noted a fundamental shift in skill requirements is the use of information technology as *case study 17* noted, “I think the skills have remained to a large degree the same. Obviously on the technology side, there are more skills required in the use of computers, which has changed. But the actual technical attributes required are really the same.”

Employees working as insurance underwriters<sup>7</sup> did not necessarily concur with the view that the skill mix required to undertake the job role of an underwriter has not changed. Changes were considered to have occurred in the balance of technical, generic and interpersonal skills required to fulfil the job role, with the latter growing in importance at the expense of the former.

Whilst most employees agreed that the key skill needed to be an underwriter is the ability to undertake a risk analysis, the level of technical knowledge required in order to make this assessment was considered to have fallen. This was particularly the case for sales underwriters where the level of technical knowledge

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<sup>7</sup> In both sales and technical underwriting roles.

employees were expected to possess was lower than would have once been expected. Those people working in technical underwriting positions were considered to require the same level of technical knowledge but have higher IT skills in order to source and use this knowledge more effectively. Employees also considered that interpersonal skills have become of paramount importance within their job roles.

The principal areas of skill change identified include the:

- Increasing need for both generic and technical IT skills in order to process proposals, gather information, as information becomes more widely available via the Internet etc and to use this information to analyse risk.
- The heightened need for interpersonal skills in order to communicate effectively with clients and secure quality and repeat business.
- The dilution of the level of technical skills and knowledge required in front line sales underwriting occupations.

#### 2.4.2 Skill development strategies

Employers consider in-post experience coupled with vocational training to be the most appropriate mechanism for ensuring that insurance underwriters possess the appropriate skills-set. *Case study I7* gave a typical response when asked about mechanisms of skill development when it noted, “traditionally within our organisation skills have pretty much been developed within the job, together with professional qualifications and training running alongside. At the end of the day, it’s judgement that makes a good underwriter and there’s no substitute for experience.”

Insurance underwriters within the focus groups confirmed this view. One insurance underwriter working in a large general insurance firm noted that, “in-post experience is the main source of knowledge in insurance underwriting as you draw upon this experience when making judgements of risk. As people gain experience through longevity of service and acquire additional knowledge around the risk associated with their line of business the level of their delegated authority rises.” On-the-job training facilitates this process coupled with professional training, which tends to be offered through the Chartered Insurance Institute.

The following quote from *case study I10* exemplified the view echoed across the sector when it noted, “You need quite a lot of experience to be able to do it, but you also have to think outside of rigid guidelines. People who need to be able to say, “If it says this, do that”, wouldn’t really work as an underwriter. You need to be able to make decisions based on your own experience and the experience of your advisers like your chief medical officer, but you need to be able to do it instinctively. You need to be able to say, “Although this case looks OK, I’m not so happy about it and this is the reason.” It’s thinking a bit laterally I suppose... For reassurance they provide us with these online PC-based manuals but they’re

only a guide and you have to use these manuals with your own experience to be able to make good decisions”.

## 2.5 Recruitment strategies and entry requirements

The recruitment strategies and entry requirements pursued by employers recruiting insurance underwriters differed depending on the size of the firm. Unsurprisingly, the small, specialist, underwriting companies tend to recruit from the external labour market whilst larger companies are more likely to develop underwriters from within the internal labour market.

Smaller companies recruiting ‘technical’ underwriters requiring a high level of specialist skills have no pool from which to draw this type of labour and rely on the labour pool trained by the larger insurance companies. By utilising this strategy smaller companies have been able to capture experienced underwriters who may already have partly completed the examinations offered by the Chartered Insurance Institute including the Insurance Foundation Certificate, the Certificate of Insurance Practice or the Associateship of the Chartered Insurance Institute (the ACII)<sup>8</sup>.

As the chief underwriter at *case study 16* explained, “I normally recruit people who have spent two or three years elsewhere. I expect them to have made some progress with acquiring a professional qualification, which can take up to 5 or 6 years. However this is not a not hard and fast rule and we do not necessarily require underwriters to have a professional qualification – it is still a quasi profession.” The entry requirements for people moving into such positions are therefore more likely to be based on an individual’s industry experience rather than the academic or professional qualifications they have gained.

Medium sized firms will have a greater number of underwriters operating at a series of levels and are more likely to be starting to develop their staff internally. *Case study 19* exemplified a firm which was just beginning to initiate this process. The respondent noted how “we are just about creating a route within the company to move from a lower position to an underwriter but it doesn’t exist yet. It is difficult to recruit, particularly as we’re expanding so quickly, there is this lack of underwriters out there in the market place, so now we have created an environment -and we’re just interviewing at the moment to get the first person into it - so that we have a future source of junior underwriters from any background so long as they’ve got the basic education - the 5 GCSEs - and are computer literate. What we’re now aiming to do is bring them into a processing environment where they don’t have to underwrite but they’re processing things that have been underwritten for them already. Have them doing that for 12 months or so and then look to putting them into a junior underwriter position.”

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<sup>8</sup> The insurance foundation certificate is a basic introduction to the principles and practice of insurance. The certificate of insurance practice is for people working at a technical level in insurance. The ACII is the highest professional insurance qualification that can be gained and is positioned at the QCA level 5 e.g. honours degree level.

Large insurance firms tend to source their technical insurance underwriters internally, preferring to develop employees from people who entered the firm in junior administrative or tele-sales roles. This situation was verified by employees working in the sector, the majority of whom had progressed through the ranks in their current employers. Where this was not the case, employees had moved from other large insurance companies principally for personal reasons (e.g. childcare responsibilities) before continuing their underwriting careers within their current organisation.

One group of technical underwriters, who were employed by a motor insurer, had all progressed into their current underwriting roles from tele-sales positions. Indeed, this was the common route into an underwriting position in this firm as it was considered the most appropriate way to equip employees with a good understanding of the business and its systems. On-the-job experience was typically supplemented by training provided through the in-house and professional body route.

Other employees noted how recently<sup>9</sup>, people entering insurance underwriting came into a firm in an office junior capacity and then served an insurance underwriting- apprenticeship in order to develop the skills and knowledge associated with the position. This ‘apprenticeship’ typically involved working with more senior underwriters until the person had shown that they had the appropriate set of competencies to progress to the next delegated level of authority. ‘Sitting with Nellie’, coupled with professional body training was considered by employees to be the most appropriate way through which individuals gained the experience necessary to make a decision. Individuals would therefore evolve into an underwriting role and gain the prerequisite technical skills by getting hands-on experience.

*Case study 17* demonstrated the importance of internal promotion as a source of underwriting skills, noting, “We recruit mainly from within the organisation. I can only recall very occasional instances of people being recruited from elsewhere. They classically have come in as administration assistants doing fairly routine clerical/administrative work, doing underwriting at a very simple level and then through training and development they progress up to this group [associate professionals] that we’re talking about.”

Employees suggested that the development of sales underwriting roles might, over the longer term, affect the range of skills available in the internal labour market. This concern relates to the fact that entrants into sales underwriting positions are not expected to possess high-level technical skills but rather require well developed interpersonal and customer handling skills. In addition, these individuals are unlikely to receive the in-depth technical training or gain the exposure to different areas of risk assessment within their job roles and therefore the level of technical knowledge they develop is likely to be low. For example,

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<sup>9</sup> Until 5 years ago.

technical induction training at one large general insurer was limited to around three weeks, after which employees were considered competent to deal with customer queries. Therefore, fewer people are following the traditional apprentice-type route and as a result less employees are developing the range and breadth of technical knowledge required to fulfil the technical underwriting role. This situation may in the longer term lead to the erosion of the technical underwriting skills available in the labour market.

There is some evidence that this situation may already be starting to materialise. The industry consensus, which was most prevalent amongst the larger firms, was that there is a dearth of highly technically skilled insurance underwriters in the labour market. The reason for this was attributed to the fact that the retrenchment in the market has meant that there are fewer underwriting positions available, which has caused a significant number of highly experienced people to leave the sector. In addition, people are deterred from entering the insurance sector because of its perceived instability and the fact that it is often considered unattractive compared to other financial services sub-sectors.

### 2.5.1 **Entry level qualifications**

The extent to which academic and professional qualifications are important as entry requirements depends largely upon the level of underwriting to which companies are recruiting. However, underwriters are not under any statutory obligation to acquire accredited qualifications offered through professional bodies.

Firms recruiting into junior level underwriting and tele-sales positions do not require entrants to possess qualifications above NVQ Level 2<sup>10</sup>. Well developed interpersonal skills are considered to be the principal entry requirements.

Graduates have become more commonplace within insurance underwriting roles. This trend is largely due to an increase in the supply of graduates and not because employers are specifically recruiting more graduates into these roles. This situation has resulted in the under utilisation of graduates. This was particularly evident where graduates enter sales underwriting positions. Graduates do not need to utilise the technical and generic skills they acquired throughout their period of academic study in this tele-sales environment. Graduates entering into these positions typically only consider the job as a stop-gap position whilst they are waiting to secure a more appropriate role. Those graduates that do remain in the job tend to move slightly faster up the underwriting hierarchy than non-graduates.

External recruitment into technical underwriting positions was not prevalent amongst larger firms. Indeed, employee turnover within these high level positions was typically low. The majority of technical underwriting recruitment took place through small and medium sized firms. When recruiting technical insurance underwriters employers do not require employees to possess professional body exams - although it was suggested that this might give candidates an edge during

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<sup>10</sup> GCSEs are the typical minimum entry level for very low level positions.

the recruitment process. The only exception was Lloyds, which dictates that its employees demonstrate their theoretical competency by acquiring the Chartered Insurance Institute's ACII exam.

*Case study 11* gave a typical response noting "We don't expect them to have degrees. We'd like ACII qualified if possible and that's going to become more important as we get to General Insurance Standards Council. But experience is so vital that's what we like to see – experience with the bigger insurance companies as they seem to know what they are doing."

*Case study 12* meanwhile noted "At the underwriting assistant level, definitely GCSE and may be A-level, not necessarily graduate. They should either be CII-qualified or working towards the qualification. For a class underwriter, it would be good for them to be CII-qualified but it depends on how long they've been in the market so their experience would count as well. We don't stipulate that people have to have a degree."

The growth of the sales underwriting position as the typical entry route into an underwriting position has meant that the entry level in qualification terms has fallen across the industry. People are now able to enter the occupational group with NVQ Level 2 equivalent qualifications whereas previously the majority of people entered with NVQ Level 3 qualifications.

## 2.6 **Training and employee development strategies**

Traditionally underwriters have developed the skills needed in-house by following a trainee type route. However, very few firms employing insurance underwriters offer a formalised trainee role. Most training provided is informal in nature and provided both on and off the job. In-house training is then supplemented in certain instances by the technical training provided by the Chartered Insurance Institute.

This strategy for developing employees is shown clearly by *case study 110*, which described how it developed its underwriters noting, "they would receive one-to-one training from an experienced person on the team. Then they would look at reports, make a judgement, and complete what we call an underwriting detail sheet, which pulls out the relevant points of the report. There's also a space for them to make a judgement as to what sort of decision they would want to make. Then that would be discussed with their trainer. This would go on for a period of time and once the trainer is satisfied that the person can make accurate judgements, then they will be given an authority level, a sum assured level that they can go to so that anything up to that they can make their own decision. Over that it still has to be referred. But it's those authority levels that over time will increase with the experience of the person so that the company are not taking on difficult risks that haven't been assessed properly. So there is a structured programme that you go through and you just build up your experience over time."

Individuals perform a limited underwriting role until they have demonstrated their technical competency to their employer and learn in the main through ‘sitting with Nellie’. As one large insurance firm (*I10*) noted, “we won’t let them loose in that role [insurance underwriter] until they’ve demonstrated that they’ve achieved those skills. The two main areas of development include keeping up to date with what’s going on in the market and so on, and more general personal and management development stuff. All our underwriters will have acquired their technical skills at an earlier stage.”

By following the underwriting apprenticeship route, employees performing a ‘technical’ insurance underwriting role will possess the technical competencies needed to undertake this job effectively. As such, employment development tends to concentrate on the development of managerial and interpersonal skills rather than job-specific technical skills.

The Chartered Insurance Institute plays an ad hoc role in the professional development of insurance underwriters. Its role in the industry is best shown by the following quote from a medium sized underwriting company, which noted, “there are the professional exams which we allow people to have time off via day release. Then we expect them to do at least two days continuing professional development. But although this looks good on paper, most people learn by doing the job, working with people who are more experienced – sitting next to Nellie is still important.” A number of employers also commented that the ongoing training and development provided by the Chartered Institute of Insurance is inaccessible to companies operating outside of London.

### 2.6.1 **The foundation degree and skills development**

Both employers and employees met the concept of the foundation degree with mixed reactions. Whilst both parties acknowledged the relative merits of the foundation degree, in-post experience was still considered to be more valuable than pursuing an academic qualification that is unlikely to equip people with the specific skills-set required to do the job. These skills were considered to be most appropriately developed in house as large general insurance company *case study I7* noted; “I’m always a bit uneasy about education which is too job-specific. The role of education is to give people a broad base of knowledge and learning to learn. My preference is then for the organisation or the industry to give them the job-specific skills. The trouble is that our systems and procedures are so different from other firms. The danger is that if you try to train people within the education sector, some of it needs to be unlearned once they get into an organisation.”

Employers and employees also considered that the examinations offered by the Chartered Insurance Institute already provided employees with any additional theoretical knowledge required. However, employees demonstrated ambivalence towards this type of academic qualifications because it was considered that the qualifications failed to keep pace with industry developments. Employees were more likely to see the relative merits of these qualifications and those people that

had completed the qualification considered that it had been useful in providing the theoretical background needed to perform their job role.

Specialist underwriting *case study I2* summed up the attitude of employers noting; “It could be useful but we don’t stipulate that people have to have a degree. That isn’t our main priority that people have to have that level of education. We’re not like some organisations that always have a graduate intake. That’s not the way we look at things. I don’t think you can be taught certain attributes anyway - they just have to be developed through the job. And a lot of underwriting can’t be learned through a textbook. It just has to be learned on the job. You can’t just pick up a book and be an underwriter. It takes many years of getting to know the market, the clients, and building your experience.”

The previous sections highlighted how the traditional underwriting apprenticeship route is being eroded, which may in time begin to lead to a deterioration of the technical skills base of the insurance underwriting labour market. This situation is evolving despite the fact that the industry still requires high-level technical underwriting skills.

As such, mechanisms need to be in place to ensure that skill gaps do not occur and that there is a through-flow of people with the appropriate skills-mix. The foundation degree may provide an opportunity to ensure that people are equipped with the appropriate technical and generic skills required to work in an insurance underwriting role. Any foundation degree designed explicitly for insurance underwriters should take into account those qualifications currently offered through the Chartered Insurance Institute.

## 2.7 ‘Typical’ career paths of insurance underwriters

It has been demonstrated that insurance underwriters typically start their careers in low level administrative, sales or underwriting positions and progress via on the job training into middle, then senior underwriting roles where they have higher designated levels of authority depending on their internally assessed levels of technical competency.

Employee turnover amongst sales underwriters is usually high and on a par with turnover levels found in call centre environments.<sup>11</sup> Employers noted that turnover is particularly high within the first six months, however if people stayed with the firm for six months then they were less likely to leave. The average length of employment for people employed in sales underwriting positions was estimated to be around two years. Upon exiting the firm people move into a variety of different roles, mainly in other call centre environments.

Employees typically need to have several years experience in order to acquire the level of authority associated with working in a technical underwriting job role. Once in that role, employees tend to stay within the role for a significant period of

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<sup>11</sup> Employee turnover rates of 40 per cent are commonplace.



time, which is typified by longevity of service with many people having over 10 years of service. Turnover amongst employees within this occupational group, appears low at this level, particularly in the larger firms. This feature is evident despite the fact that progression opportunities are low once people have attained several years experience as an underwriter because there tend to be few Chief or Deputy Chief underwriting positions within firms. Progression within the firm is therefore dependent upon people moving into more mainstream management positions or product development roles.

Where people do leave, it tends to be in search of promotion and responsibility that they cannot achieve in their current post. People leaving a technical insurance underwriting role tend to move into management positions typically in the insurance industry. Conversely, those people leaving sales underwriting positions are more likely to make a sideways move into a similar role that offers a more attractive remuneration package.

## 3 Case study 2: legal associate professionals – 352

### 3.1 Introduction

Legal associate professionals (3520) fall within their own associate professional grouping (352). According to the SOC 2000 classification, legal associate professionals, ‘organise the administrative work of legal practices and perform specialised legal duties. They also provide administrative support for legal professionals and provide and make recommendations on legal matters that do not fall within the jurisdiction of a normal court of law.’

Despite only representing a very small proportion of the associate professional population, the legal associate professional occupation experienced a 32 per cent growth in size during the 1992 to 2000 period. The occupational group is expected to grow by 3 per cent per annum during the 1999 to 2010 period. This growth will create an additional 12,000 jobs, the majority of which will be legal executive positions.

The secondary data analysis suggested that the legal associate professional occupation has a distinctively higher level of educational attainment, with larger proportions of entrants with degrees and higher degrees than found amongst other associate professional occupations. The remainder of this chapter uses empirical data to explore the extent to which the job roles, qualifications held and career paths of people employed in these positions have changed over time.

### 3.2 Contextual information – key characteristics of the case studies

The legal associate professional occupational group consists of a diverse range of job roles, each of which contains a different set of tasks and requires a distinct skill-set. These sub-occupations also have divergent entry routes and career paths. In order to capture the diversity within the occupational group two distinct sub-occupations were analysed. These sub-groups were (i) legal executives and (ii) barristers’ clerks. People employed in these occupations undertake very different roles with the ‘law’ being the only common denominator.

The selected case studies outlined in *Table 4* include employers that utilise either legal executives or barristers’ clerks. Interviews were also undertaken with the ‘professional’ bodies representing legal executives and barristers’ clerks, the Institute of Legal Executives (ILEX) and the Institute for Barristers’ Clerks.

Solicitors’ firms and barristers’ chambers both experienced employment growth during the previous five years. Amongst the solicitors participating in the study, the main stimulus for this growth was acquisition and merger activity. Expansion into new areas of the law was also commonly cited as the reason producing this employment growth, albeit at a lower level than through acquisition.

The employment growth evident in barristers' chambers was on a much lower scale than that found for legal executives. The additional demand for barristers' clerks was stimulated by various factors including:

- The addition of extra 'tenants' i.e. barristers<sup>12</sup> to the chambers;
- The amalgamation of chambers; and
- The restructuring of administrative procedures following legal and court procedure reforms.

In order to raise the operating efficiencies associated with rising administrative burdens, a significant number of chambers have introduced a 'practice manager' type role to manage the business, which in the majority of cases is separate to the clerking function.

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<sup>12</sup> Barristers are self-employed and therefore 'hire' the services of the chambers and its associated staff for a fee.

Table 4: The Case study Firms

Identifier	Main service area	Number of Employees	Employee Growth	Reason for Change	Proportion of Legal Associate Professionals (%)
<i>L1</i>	Solicitors	7,000 worldwide 2,7000 London	Increased significantly	Merger	2
<i>L2</i>	Barristers Chambers	10 employees 45 barristers	Growth in number of barristers and clerks	Volume of work	13
<i>L3</i>	Solicitors	1,950 worldwide	Increased	Merger	4
<i>L4</i>	Solicitors	2,400	Increased	Growth in practice areas and mergers	4
<i>L5</i>	Barristers Chambers	6 employees 35 barristers	Risen very slightly	Restructuring administrative function	11
<i>L6</i>	Solicitors	226	Growth	Business expansion and mergers	7
<i>L7</i>	Solicitors	4,100 worldwide 2000 UK	Growth	Business Expansion	2
<i>L8</i>	Barristers Chambers	8 employees 33 barristers	Slight growth	Court Reform Restructuring	18
<i>I9</i>	Barristers Chambers	5 employees 35 barristers	Slight growth	Growth in number of barristers	11
<i>I10</i>	Barristers Chambers	22 employees 70 barristers	Growth	Business Expansion	16
<i>I11</i>	Barristers Chambers	7 employees 33	Static	N/A	12

		barristers			
<i>I12</i>	Barristers Chambers	10 employees 46 barristers	Growth	Restructuring	9

Source: KPMG 2001

Legal executives<sup>13</sup> form less than 10 per cent of total employees working in the solicitors contacted in this survey. It is however suggested that the proportion of legal executives to other employees will be significantly higher in smaller legal practices.

Barristers' clerks on the other hand constitute between 10 to 20 per cent of total employment in typical chambers. In absolute terms however, the number of clerks per chamber is very small with the majority of barristers' chambers having less than 6 clerks to service between 20 to 40 barristers.

### 3.3 The nature of demand for legal associate professionals

*Table 5* presents the changing demand from employers for legal executives and barristers' clerks. It highlights the fact that the demand for legal executives has been much greater than for barristers' clerks during the past five years<sup>14</sup>. This trend is expected to continue for the foreseeable future.

The demand for legal executives has grown considerably over the past five years and is likely to be maintained. *Case study L6* noted this to be the case stating, "there has been a notable increase in the services of non-solicitors who can very adequately carry out solicitors functions within each department. This is particularly evident in the property department, we use a lot of legal executives there."

The increased demand for and usage of legal executives within the legal community has been stimulated by legal reform. The acts that have been most relevant to this growth include:

- *The Access to Justice Act of 1999* which gives ILEX 'fellows' the right to conduct litigation and may allow members to practise independently of solicitors; and
- *The Courts and Legal Services Act of 1990* whereby legal executives, with the appropriate certification, can have 'rights of audience' in courts where previously this was not possible.

<sup>13</sup> For the purpose of this study all those employees that in effect carry out a legal executive role but are given other titles by the employer are included in the sample e.g. legal assistant.

<sup>14</sup> The population of barristers' clerks is c.1000 in the UK working in around 350 chambers. The population of legal executives is much larger with the Institute of Legal Executives having 20,000 members alone.

These legal reforms mean that legal executives are now able to perform additional duties that were once only the domain of qualified solicitors. Consequently, as legal executives traditionally received lower wages than solicitors, a large proportion of legal firms use legal executives as a cost effective way of providing services to clients. As *case study L4* noted, “more and more people are realising that legal executives are cost effective and a useful tool. They may not be qualified solicitors but they’re trained and they can be used to undertake large amounts of legal work, particularly in the litigation area in which it would be too expensive to get our lawyers to do it, so we can offer a more cost effective service to our clients”.

*Table 5: The Changing Nature of Demand for Legal Associate Professionals*

Identifier	Main service area	Demand for Legal Associate Professionals	Reason for Change	Future Demand
<i>L1</i>	Solicitors	Increased	Redistribution of duties to these employees away from solicitors	Increase due to continuation of restructuring of work duties
<i>L2</i>	Barristers Chambers	Growth in past five years	Volume of work	Growth as chambers grow, just made switch to operations clerk role.
<i>L3</i>	Solicitors	Increase	Redistribution of duties to these employees away from solicitors	Increase as legal executives continue to undertake more tasks traditionally undertaken by a solicitor.
<i>L4</i>	Solicitors	Growth	Volume of work	Increase in order to provide more cost effective service to clients.
<i>L5</i>	Barristers Chambers	Static	N/A	Growth linked to numbers of tenants in chambers
<i>L6</i>	Solicitors	Growth	Redistribution of duties to these employees away from solicitors	Growth as finding it difficult to recruit trained solicitors and they can carry out the same function.
<i>L7</i>	Solicitors	Growth	Redistribution of duties to these employees away from solicitors	Growth in order to allow solicitors to concentrate on higher value added work.
<i>L8</i>	Barristers Chambers	Slight growth	Expansion into new areas of law.	No change
<i>I9</i>	Barristers Chambers	Slight growth	Growth in numbers of barristers.	Growth as chambers undergoing change in way manage business.
<i>I10</i>	Barristers Chambers	Slight growth	Growth in numbers of	No change, growth more likely amongst

			barristers.	administrative staff.
<i>I11</i>	Barristers Chambers	Static	N/A	Change will occur in line with number of tenants.
<i>I12</i>	Barristers Chambers	Slight Growth	Reorganisation of Chambers	Chambers just separated administrative and clerking function therefore number of actual clerks likely to remain the same.

Source: KPMG, 2001

All respondents noted that they expected the growth in demand for legal executives to continue. Legal executives will continue to be used so that, as *case study L7* noted, firms are able to “strip out of the solicitors job anything that doesn’t have to be done by them in order to free them up for higher value-added activity.” Increasingly, however legal executives have become fee earners in their own rights. In many instances they perform the same role as a solicitors in that they have their own case load, which they work on and prepare for court.

The demand for barristers’ clerks has also grown. This has however been on a much lower scale than that witnessed for legal executives. Indeed, the number of clerks hired within a chamber has risen by 1 or 2 during the past five years; which in some chambers has doubled the amount of clerks employed.

The main reason behind the rise in demand for clerks is the addition of new barristers to chambers. There have also been changes in the way that chambers organise and conduct their business planning function. This has led to certain chambers introducing people in operational management type positions, whilst others have separated the clerking and administrative functions. This trend is expected to continue as chambers are forced to operate more effectively and efficiently, which will impact on the type of job roles available.

*Case study L9* demonstrated this trend noting “because chambers are undergoing a massive change in the way we conduct business, what’s likely to happen in the not-too-distant future is that the size of chambers will steadily rise so it will therefore mean more back-up support staff.” The view that has emerged is that whilst the number of clerks employed is not likely to rise significantly, other support roles will become increasingly important. *Case study I10* summarised this situation saying, “I think the number of clerks would probably stay the same. I think it’s more in administration where there’s a requirement for staff.”



### 3.4 The job tasks of legal associate professionals

The key tasks associated with performing the role of a legal executive are very different to those of a barrister's clerk. As such, each role will be considered in turn.

There are different types and levels of legal executives all of whom perform slightly different tasks and roles depending upon the area of law in which they work. Legal executives are most likely to be employed by a solicitor. However, legal executives are also employed by companies who deal with cases of negligence claims such as insurance companies. In order to cut costs, an increasing number of insurance companies are employing their own legal executives, rather than subcontracting out the work to solicitors. The demand for legal executives from the non-legal environment is expected to continue to grow, particularly as rights of audience continue to be widened.

The main role of a legal executive is to prepare a case for trial or to service cases that do not require a court appearance e.g. conveyancing. Legal executives are now likely to have their own case load and work on cases from inception to completion. In many areas of the law, the legal executive now performs the role of a solicitor. Neither employers nor employees could articulate the difference in the job roles performed by a legal executive or a solicitor. For example, in the area of personal injury law, barristers are now increasingly likely to be instructed by a legal executive - who will research and prepare the case for them – instead of a solicitor. Moreover, legal executives will often have trainee solicitors assisting them preparing cases.

The key tasks undertaken by legal executives include:

- Interviewing clients, taking witness statements.
- Liaising with specialists e.g. surveyors, medical experts, engineers.
- Preparing documents, writing reports.
- Researching background to the case and identifying previous examples of similar cases.
- Liaising with clients, courts, counsel (barristers), industry (insurance companies).
- Attending court.
- Marketing of the legal practice.

The wide variety of tasks carried out by legal executives is shown by *case study LI* that contended, "It's difficult to generalise because they are spread out across different functions. They would do contract work – devise contracts – they would

buy and sell property, and they would work very autonomously on that. They would manage their own caseload. They have a high degree of responsibility. They would also undertake research and prepare documents for court. They do a lot of legal research and prepare bundles for counsel, getting documents ready to go to court.”

The role of the barristers’ clerk is very different to that of a legal executive principally because they do not play any role in preparing a case for court other than liaising with the solicitor and ensuring that barristers attend court at the appropriate time. The main role of the barrister’s clerk is therefore to arrange, “the business lives of the barristers. They organise their diary, arrange and negotiate fees, arrange for papers to be delivered, for work to be carried out within a certain time frame. They advise solicitors as to counsels’ availability and suitability, depending on the nature of the matter and the timescale involved, the complexities involved. Basically they do whatever it takes to make the barristers’ working lives easy”(Case study L5).

In essence therefore the role of the barristers’ clerk is “the administration of the barristers’ practices, so its dealing with the solicitors who instruct them, processing the briefs onto a computer system, making sure the barristers have that, and liaising with barristers about the time-frame when work needs to be done by and where they need to be etc.” (Case study L12).

Barristers’ clerks usually work within a small hierarchical team with the junior clerk responsible for basic administrative duties and the senior clerk overseeing the management of the chambers. Most chambers now also have a fees clerk whose main job is to set and collect fees from solicitors. This demarcation of roles is shown clearly by the following quote from case study L9 that noted, “job tasks vary from clerk to clerk. We’ve all got varying job descriptions. I’ll start from the bottom... The junior clerk basically deals with the more mundane issues, faxes and things like that, the general running around office junior kind of job that would be similar in most organisations. And as you move up, the first junior’s more responsible for entering the papers, PR, negotiating fees etc. There’s a dedicated fees clerk who chases all the fees and that is basically her job, but that’s all set down by the guidelines of the Bar Council, so that’s fundamental but fairly straightforward. And then it comes to the senior clerk who’s got overall responsibility for the overall running and management of the chambers, along with the management committee. That’s more strategic and practice management.”

Overall, the key tasks involved with being a barristers’ clerk include:

- Liaising with solicitors about the appointment of the most suitable barrister.
- Arranging, setting and collecting fees.

- Organising diaries and managing the court appearances of barristers on a daily basis – in effect, managing the careers of barristers.
- Collating and distributing paperwork barristers require for specific cases.
- Marketing barristers' services to solicitors.
- Contacting court services.

#### 3.4.1 **The changing nature of the job role of legal associate professionals**

Legal executives now undertake a wider range of tasks in their job role and in many instances have taken on the role and responsibilities of a solicitor. This trend is shown clearly by *case study L6* which noted, "Our legal executives have become more autonomous, much more responsible for their own caseload and they're usually reporting to one partner rather than generally assisting the department."

Conversely the role of a barristers' clerk has not changed significantly over time. However the fact that chambers are beginning to introduce new forms of working practice amongst support staff and investing in technologies to make the administration of the chambers more efficient, suggests that these roles may change in the near future. One emerging trend is the fact that barristers' clerks are now likely to be responsible for marketing barristers' services. This process was described by the senior clerk at *case study L2* who noted, "Even over the past 3 years since I've been here, we've moved much more into management. We've been awarded Investors in People. It's about developing them as people managers, so they're responsible for training their colleagues. We've invested in IT so that we're more efficient and faster, and also developing them in their roles in terms of management and marketing."

### 3.5 **Skills and attributes of legal associate professionals**

The main function of a legal executive is to research and present a case, either directly to a client or to counsel, in order that they can represent that case at court. *Table 6* lists the key technical and generic skills and personal attributes associated with working in a legal associate position. It is clear that legal executives need a mix of technical, generic and interpersonal skills in order to perform their job.

In particular, legal executives require an in-depth knowledge about their area of law and the respective experts with whom they are associated e.g. engineers, medical practitioners, and estate agents. The skills required to perform the legal executive role are perhaps best identified through a case study of a legal executive who specialises in personal injury.

A legal executive working in the personal injury area needs to know the relevant acts and cases to refer to for all aspects of personal injury law. They must also have the skills to obtain a full statement from the client (interpersonal and

communication skills are therefore vital) in order to make an assessment of the validity of allegations of negligence. The legal executive must then liaise with the appropriate medical and engineering specialists in order to gather evidence for the case. They therefore require high level research and organisational skills in order to ensure that the case is fully researched before being passed to the appropriate barrister. If the case is to proceed to court then the legal executive must communicate and negotiate first with the barrister's clerk and then with the barrister. They must then ensure that the barrister has the appropriate papers and attend court if requested.

*Table 6: Skills and Attributes of Legal Executives*

Technical Skills	Generic Skills	Personal Attributes
Technical knowledge of the Law	Accuracy	Inter-personal skills
Law library and research techniques	Analytical skills	
Legal report writing	Customer handling skills	
Fee and plea negotiation skills	IT skills/computer literacy	
In-depth knowledge of court protocol	Negotiation skills (basic)	

*Source: KPMG 2001*

Barristers' clerks require a very different skill set to that of a legal associate. These are shown in *Table 7*. A barristers' clerk does not have to have any knowledge of the law in order to perform their job role. Indeed, it is suggested that barristers' clerks require very few technical skills, although they do need a good knowledge of how the court service works. Administrative, organisational and interpersonal skills are the key attributes required.

The required skill mix is illustrated by the following quote from the senior clerk at *case study L8* who noted; "The relationship between the barrister and his or her clerk is unique, the barristers will confide in and trust the judgement of their clerks almost, in some cases, more than they would with their partners. So the relationship is based on trust and loyalty, discretion, a sense of humour - there's a lot of pressure involved in our job, you're working for self-employed individuals who, although have a corporate mentality that everyone's working hard in chambers for a common cause, they are in competition with each other, so there is a lot of pressure. By nature you have some barristers who are more successful than others and that's something a clerk has to deal with. You have to deal with matters very even-handedly- no favouritism whatever your feelings at a personal level towards barristers, you have to treat them all equally with a high degree of professionalism. Technical skills...again, different chambers will have different demands. Just basic computer ability - e-mailing and that sort of thing - is now I think part and parcel of the job but one doesn't need necessarily to be a computer whiz-kid. All our records and our diary are on computer now, it's all

electronically run, but we've had training specifically for that, and we need to know how to use a word-processing package - we use Word in chambers and all the clerks have a basic knowledge of that...but one doesn't need to be a budding Bill Gates."

*Table 7: Skills and Attributes of Barristers' Clerks*

Technical Skills	Generic Skills	Personal Attributes
Fee and plea negotiation skills	Accuracy	Inter-personal skills
In-depth knowledge of court protocol	Customer handling skills	
Clerking specific administrative skills	IT skills/computer literacy	
	Negotiation skills (basic)	
	Numeracy	
	Organisational Skills	
	Problem solving	
	Written Skills/literacy	

*Source: KPMG, 2001*

### 3.5.1 The changing skill requirements of legal associate professionals

Employers on the whole considered that the skills required to perform a legal executive role have not changed significantly over time. It is however suggested that this response fails to capture the additional duties that now fall within the legal executive role, which require different skills and attributes. This view also fails to capture the fact that in certain instances the level of competency needed for various skills has also risen. In particular, in certain areas of the law the level of technical skills and depth of legal knowledge required by legal executives has risen.

Given that legal executives now have more responsibility for their own cases it is suggested that their job also commands higher negotiation, research and organisational skills than was commonplace previously. Likewise, interpersonal skills have become increasingly important for legal executives.

Legal executives concurred with the view that their job role has broadened and agreed that this has resulted in a rise in the skill levels associated with the job role. In essence, the skills and job role performed by the majority of legal executives are now on a par with those of a solicitor. The main difference between a solicitor and a legal executive appears to be the route through which they receive their training.

The skills required to undertake the role of barristers' clerk have not fundamentally changed. However it is clear that as *case study L5* noted that the consensus is that "the role of the clerk has become a bit more sophisticated, so

people expect a bit more of clerks, and they expect them to be able to handle basically commercial situations now which wasn't necessarily always the case previously." Consequently, whilst the core skills required to undertake the job role have remained the same, barristers' clerks (particularly in senior roles) are increasingly required to have a higher level of business acumen as well as better IT skills<sup>15</sup>.

### 3.5.2 Skill development strategies

Employers considered that the job specific nature of both these jobs meant that the skills required to deliver them are most effectively developed through in-post experience. Both legal executives and barristers' clerks tend to enter the role at a junior level and learn on the job, obtaining the skills they require through experience.

For legal executives the professional development programme offered through the Institute for Legal Executives usually supplements this on-the-job training. This professional training provides individuals with the necessary theoretical knowledge required whilst in-post experience provides the practical experience required. As such, legal executives develop their skill mix by following an apprentice-type route whereby new entrants shadow existing legal executives. Indeed, formal trainee positions are evident in larger solicitor practices.

*Case study L6* highlighted this process noting, "A lot of our legal executives actually trained through the firm. They've actually come up from secretarial support staff basis, and we have trained them here ourselves and they now perform what we call a fee earning function, which is in a professional capacity so, yes, a lot of it has been on-the-job training but we also measure that against educational requirements that we fund their education in order to achieve that status, a professional status."

## 3.6 Recruitment strategies and entry requirements

The recruitment strategies utilised by employers trying to recruit either legal executives or barristers' clerks are largely determined by the level of the recruit they wish to employ. In both cases lower level positions are recruited in the external labour market, most likely directly from school or further education.

Recruitment of legal executives tends to occur in the external labour market. This is the case when recruiting both initial and higher legal executive positions. Few entrants currently enter legal executive positions directly from school. Those that do enter straight from education tend to hold A 'level type qualifications and enter directly into 'junior' legal executive positions. Those employees who had chosen this route had actively decided to become a legal executive because they had an

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<sup>15</sup> Technological developments such as electronic diaries are still relatively new in barristers chambers having been brought in within the last 5-6 years.

interest in the law. The legal executive role was considered a gateway into the legal profession for those not wanting to pursue higher education.

Entrants to the more senior positions were most likely to have gained legal experience either in a previous legal executive trainee position or in the courts service such as at the Crown Court. Employers noted that they require individuals with legal experience and knowledge of how the various court systems work. Solicitors on the whole tend to use recruitment agencies to source these employees.

Any internal recruitment that occurs for initial legal executive positions tends to involve legal secretaries moving into trainee legal executive positions<sup>16</sup>. As *case study 16* noted “They could have joined us as a secretary. After one year’s service they can apply to us for sponsorship for a course provided they can define a business need for it and if we sponsor them, then obviously they usually do it through the part-time route, which is three to four years, and that’s why I say five years before they’re eligible to be elevated to legal assistant status.” The drive to cut costs amongst many solicitors means that there is a decline in the use of legal secretaries with ‘fee earners’<sup>17</sup> increasingly becoming responsible for their own administration. The external labour market is therefore likely to become increasingly important when recruiting for legal executive positions.

Employers did not report any recruitment difficulties either in terms of securing the number of legal executives required or finding them with the appropriate skills. This factor probably reflects the increase in use of ‘graduates’ in legal associate positions. However, employers have not changed recruitment strategies but rather have taken advantage of the increased supply of law graduates available in the marketplace. Law graduates will not usually be chosen in preference to an experienced legal executive. The reason for this being that although the level of technical knowledge held by the both parties is likely to be very similar, legal executives will also have extensive experience of using the theory in practice.

Barristers’ clerks entering their first clerking post generally enter straight from school and fulfil the role of an officer junior. The practice of recruiting young people directly from school has been the traditional way of recruiting clerks. Clerks have tended to follow an apprenticeship route and progress within the internal clerking team. Nearly all the clerks interviewed had followed this route and were still in the chambers where they had begun their clerking career. Those that had moved had done so for promotion reasons.

Those clerks who are not recruited directly from school tend to have gained legal experience elsewhere e.g. the crown prosecution service or court administration. These individuals tend to be employed to perform middle level clerking roles. In addition, employers noted that when looking for clerks they preferred to recruit

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<sup>16</sup> ILEX noted that it has experienced increased demand for its courses from existing legal secretaries. As such 80 per cent of current graduates are female.

<sup>17</sup> Solicitors, legal executives.

people with commercial experience in order to bring this dimension into the chambers environment. Chambers also looked to industry when recruiting people for operational manager roles. Recruitment into this latter position tended to be via recruitment agencies.

When chambers want to recruit candidates to more senior clerking positions that they cannot fill through an internal promotion, they typically recruit clerks from other chambers who want to move for promotion purposes. As one case study noted, "If one of our clerks left, I think we would probably poach from another chambers."

There is some evidence to suggest that the recruitment strategies employed by barristers chambers have become more sophisticated. This was explained by *case study L8* that noted how, "in the past it always used to be word of mouth, or someone knew someone and it was fairly nepotistic. That's certainly how I was recruited many years ago! But now there's the Institute of Barristers' Clerks and under the quality assurance manual now we have to advertise. We've got equal opportunities and things like that to consider. That's at all levels. If it was for a junior clerk - i.e. a school-leaver - then it would go through the Institute of Barristers' Clerks because that is posted everywhere, to careers offices at schools and things. If it was more senior - for my job, for example, then it would be The Times and the legal journals. Because we were so small for so long, I was the first junior clerk here for 10 years, so I've been here for 10, the junior clerk's been here for four-and-a half years, so there isn't a hell of a lot of movement. They tend to come and stay and just progress, and because chambers is growing there's more opportunity within chambers for added responsibility...The only outside recruitment that we've done recently is when we advertised for an administrator."

Barristers' chambers did not report any difficulties recruiting the clerks they require. This factor is probably linked to the low educational requirements needed for entry. However employers noted that candidates coming forward often lacked the appropriate level of business acumen and marketing skills now required in chambers.

### 3.7 **Entry level and professional body qualifications**

The level of educational attainment needed to enter a career as a legal executive or barristers clerk is low with entrants typically only needing to demonstrate that they hold GSCE or A level type qualifications. The reason for the disparity in entry level qualifications reflects the different types of people coming forward to work in legal executive roles, these are women returnees and people entering following a further education course e.g. A levels. Women returnees on the whole tend to enter with lower level qualifications i.e. GCSE than those people entering the occupation after completing their A levels.

These occupations are characterised as containing people wanting a career in the law but who did not want to pursue higher education. The educational pathways



followed by legal executives and barristers are very different and will be outlined separately.

Once in post, legal executives tend to use the professional qualifications offered by the Institute for Legal Executives. Indeed, legal executives typically follow a rigorous educational and training plan in order to acquire the theoretical knowledge required to fulfil the job role. Indeed, technically, to be known as a legal executive an individual needs to be a Fellow of the Institute for Legal Executives and have followed a 4-year training programme<sup>18</sup>.

Part 1 of this programme takes two years to complete (on a part-time basis) and the qualification attained is the equivalent of an NVQ level 3. Part 2 meanwhile (also two years in length) represents a step-change in learning and the qualification is considered to be equivalent to NVQ level 4<sup>19</sup> and on a par with the exams undertaken by law undergraduates<sup>20</sup>. Before a fellowship is awarded ILEX also expects legal executives to gain five years work experience in a legal environment. Two years of this experience must be post the part two examinations.

ILEX's view is that their qualifications create practical solicitors. The overall consensus from employers and employees is that the ILEX qualifications achieve their aims and they are considered the method through which legal executives acquire the technical skills to perform their job role. There is some evidence that suggests that the larger firms are actively encouraging people to undertake their ILEX examinations in order to raise the level of technical skills within the legal executive population. Very few legal executives do not at least begin the ILEX pathway of qualifications.

The growth in demand for legal executives has however meant that many non-qualified or part-qualified legal executives are operating in a full legal executive capacity. In addition, evidence from within the legal profession however suggests that there has been an increase in graduates now working in legal associate positions, both in solicitors and in companies requiring legal services. This growth has occurred as the supply of law graduates in the labour market has increased whilst the number of trainee solicitor places has remained static. Consequently a larger proportion of law graduates are now not able to find trainee solicitor positions and so are taking legal executive roles mainly as a stop-gap until a position becomes available. As such, turnover amongst these type of

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<sup>18</sup> For entry onto part 1 exams, students need 4 GCSEs or must be 21 years or over. In order to fully qualify they need to complete both aspects of the course, as part 2 is needed for practice.

<sup>19</sup> Although part 2 is considered to be equivalent to an NVQ level 4 ILEX is not a degree awarding body and is in the process of looking for universities to accredit it and convert it into points via the CAT scheme.

<sup>20</sup> The principal difference is the fact that ILEX exams are more practically focused, as law undergraduates do not possess the practical experience in which to demonstrate their knowledge of the law.

entrants is likely to be higher than amongst those who choose a career as a legal executive.

In addition the introduction of regulation has meant that the Bar has had to relinquish its exclusivity with respect to the delivery of its Bar exams in order to widen participation. This has meant that there has been a significant rise in the number of people becoming accredited. The availability of pupillage<sup>21</sup> within chambers across the UK has not kept pace with the growth in demand for places. Individuals therefore enter legal executive positions in order to gain experience until they can apply for pupillage the following year.

Cognate graduates employed in legal executive positions may in fact find themselves at a disadvantage to a qualified legal executive. There is no evidence of the under-utilisation of graduate skills amongst those graduates employed in legal executive roles. Indeed legal executives and trainee solicitors are likely to have the same level of technical knowledge. Graduates are however likely to possess lower level generic and interpersonal skills as do not have the work experience that legal executives possess.

Whilst the educational attainment required to enter a barristers' clerk role is similar to that of a legal executive barristers' clerks do not follow a structured development programme offered by a professional institute. As noted earlier, individuals entering barristers' clerks' positions do so into office junior type roles and are therefore likely to be educated to GCSE<sup>22</sup> or A level standard. Graduates very infrequently enter clerking positions, as the entry requirement for a senior post is generally a significant amount of clerking experience.

*Case study L8* noted typical entry requirements for barristers' clerks noting, "what we look for in our junior clerks, we really are looking for bright and breezy 16 and 17 year olds who are looking at this as the first step of a long career... What I'm looking for is a willingness to learn. It's quite tough, as I say; it's not much fun being a junior clerk, so they've got to see this as a stepping stone. They've got to recognise that financially at this stage their friends will be doing better than them, but ultimately if they progress in their career, the potential is there to be well-paid. In sets of chambers like mine here and comparable, the starting salary is not great. They need to have an ability to work as part of a small team, good sense of humour, good time-keeper, somebody who is prepared to go the extra mile as part and parcel of their daily job." As such, the responsibilities associated with the job at this level and salaries on offer tend not to attract graduates.

The Institute for Barristers' Clerks<sup>23</sup> does not offer a development programme like ILEX which people follow in order to become qualified as a clerk. It does

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<sup>21</sup> The trainee barrister's position.

<sup>22</sup> Amongst the case studies 5 GCSE grade A-C appeared to be the entry level. Maths and English seemed to be preferred to demonstrate literacy and numeracy.

<sup>23</sup> In order to become a member of the Institute it is necessary to have 5 years experience and a BTEC or higher.

however offer a part-time NVQ level 4 in business and finance, which is delivered through FE colleges. They also offer a series of seminars and lectures. However the consensus was that that the Institute is seen as remote in the provinces as these courses tend to be run in London.

### **3.8 Training and employee development strategies**

Training and development for legal executives is carried out in the main through individuals learning on the job and gaining the experience they require in their particular field of law. New entrants to legal executive positions enter trainee roles and typically shadow a more experienced colleague who often acts as a mentor. This in-post training is often complemented with the rigorous training offered through the Institute for Legal Executives. The qualifications offered through the Institute for Legal Executives are delivered through local further education providers. Both employers and employees consider this dual approach to employee development to be the most appropriate mechanism for equipping legal executives with the skills that are required.

Larger employers are more likely to require individuals to complete the formal training programme offered through ILEX. Legal executives working in small to medium sized solicitor practices often find it more difficult to get employer support for studying for the ILEX qualifications. Individuals often supplement the ILEX training by undertaking courses run by organisations specialising in their field of law.

Training and development amongst barristers' clerks has traditionally been relatively unsophisticated and has mainly been restricted to new entrants observing the behaviours of the more senior clerks. As the organisational and administrative systems used within chambers have become more sophisticated, external training providers have been used in order to train individuals on the use of these systems.

Attitudes towards training appear to be shifting in barristers' chambers. This change is proceeding slowly and barristers' clerks still largely receive in-house training which involves shadowing a more senior clerk. Case study L2 was one of the more progressive chambers that had begun to develop a more sophisticated approach to training. It demonstrated this by noting that "the majority of our training is done in-house, one on one training. The clerks train up the junior clerks. We also use external courses that are run either by the Institute of Barristers' Clerks or the Bar Council. We've had three of our junior staff doing vocational legal training with an organisation in Leeds. And we send people off on various one-off day courses. As I mentioned, one of the clerks is on a management course. There are two software suppliers for running barristers chambers and one of those runs courses and we have video links into them when they have new releases on software and things".

### 3.8.1 The foundation degree and skills development

ILEX noted that they had been in contact with Huddersfield University to discuss the issue of the foundation degree but remained unsure and unconvinced as to the role this qualification could play in developing the skills required by legal executives. ILEX however were willing to consider the possibility of giving people with foundation degrees exemption from certain papers as it currently does for law graduates<sup>24</sup>.

The emerging industry consensus concurred with that proffered by ILEX. On the whole, commentators considered that the concept of the foundation degree was a valuable one in that it allows people to develop both the technical and generic skills required to undertake a job role. However, employers and employees considered that current development strategies employed in the occupation i.e. the combination of in-post and ILEX instruction, already provide effective training for legal executives. The consensus was that this existing strategy adequately equips employees with the necessary technical and generic skills required to perform their job roles.

Therefore the overwhelming view was that the foundation degree would not add anything to the training and development already available in the marketplace. In effect the qualifications offered by ILEX are too similar in nature to those proposed through the foundation degree. Moreover, ILEX qualifications are already well received within the legal executive community by employers and employees alike, which could make the introduction of a new qualification rather difficult.

The Institute for Barristers Clerks also did not consider that foundation degrees would benefit their members given the nature of their job role. Employers also did not consider foundation degrees to have any particular resonance with the clerking role, those progressive chambers that did use external providers to train new clerks largely considered that the existing provision adequately met their needs.

As *case study L8* noted, “I don’t really see any advantages of foundation degrees. What the Institute offers is a two-year course - we offer it at the Westminster Kingsway College in London- that is day release for two years. Chambers will pay for the course. We give them half a day and they have to sacrifice one evening of their own time. And during that second year, they attend several seminars and lectures that we think are important and fundamental to being a barrister’s clerk. We think it gives them a greater awareness, not only just of being a barrister’s clerk but of just general business studies and general commerce...so that if ultimately they decide they don’t want to be a barrister’s clerk, they still have a very useful paper qualification”.

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<sup>24</sup>Even law graduates have to sit the practical ILEX papers.

### 3.9 **‘Typical’ career paths of legal executives**

The specific nature of the job role of both the legal executive and the barrister’s clerk means that once people have chosen to enter these job roles they tend to remain in them throughout their careers. Turnover amongst employees working in both roles tends to be low with people moving positions mainly for career progression purposes.

People entering legal executive positions typically do so because they want a law career but for some reason or another do not want to pursue the higher education route. The training associated with becoming a qualified legal executive requires a considerable commitment on the part of the individual. By the end of this training, legal executives acquire a qualification on a par with those held by trainee solicitors. In addition, legal executives typically hold a wealth of practical experience and are able to do the same job role as a qualified solicitor. As such, legal executives are in essence solicitors. Legal executives typically make a career within this job role and tend only to move employers in order to obtain promotion. Relatively small numbers of legal executives choose to complete the solicitor’s examinations in order to practice as a solicitor. Indeed, legal executives tend to remain within a legal executive role. Those legal executives that do use the legal executive route as a mechanism to become a solicitor are generally attracted by the differential in salaries the two roles attract and the fact that currently legal executives cannot be equity partners in law practices. There is also some evidence that in some areas of law solicitors are more able to choose the type of work they wish to pursue, which is often at the higher value end of the spectrum.

Longevity of service is commonplace for people employed in a barristers’ clerks’ role. Indeed it is not uncommon to find people who have worked all their working life in a barristers’ clerk role. By and large people are recruited in junior roles and progress up the clerking ladder as and when the next position becomes vacant. This is shown by the fact that the majority of senior clerks are recruited either from within the clerking team e.g. once a more senior clerk post becomes available or ‘poached’ from another chambers. The small size of clerking teams within chambers means that progression has traditionally been very slow. In order to experience career progression individuals need to move chambers more frequently.

In effect, the end goal of a career path of a barristers’ clerk ends when an individual reaches the senior clerk position. There are no opportunities to develop their careers further and no other occupations within barristers chambers to move to other than perhaps becoming practice manager which usually requires a very different skill-set which a traditional barrister’s clerk is unlikely to possess. The restructuring of the administrative and financial management aspects of chambers and the introduction of practice managers may reduce the number of clerks needed and stimulate more movement amongst barristers’ clerks.

## 4 **Case study 3: personnel and development officers and recruitment consultants - 3562**

### 4.1 **Introduction**

Personnel and development officers and recruitment consultants are located in the Public Service and Other Associate Professionals group (356). This associate professional group experienced the largest growth in absolute numbers of all the business and public service occupational categories during the 1992 to 2000 period. The personnel and industrial relations sub-group contributed the majority share of this growth.

According to the SOC (2000) personnel and industrial relations officers (3562), 'conduct research and advise on recruitment, training, staff appraisal and industrial relations policies and assist specialist managers with negotiations on behalf of a commercial enterprise, trade union or other organisation.' This sub-group includes both personnel officers and recruitment consultants.

The remainder of this chapter explores the changing job roles, training, qualifications and career histories of people employed as personnel and development officers and recruitment consultants.

### 4.2 **Contextual information – Key characteristics of the case studies**

The personnel and industrial relations occupational group is extremely diverse and encompasses a disparate set of unit groups which have different skill sets, entry routes and career paths. In order to gain a comprehensive picture of the trends impacting across the occupational group, two unit groups were selected for analysis. These subgroups were (i) personnel officers and (ii) recruitment consultants.

The established methodology was used to examine the recruitment consultancy occupation. The case studies selected for the study are shown in Table 8.

As personnel and development officers do not fit neatly into an industry specific group, the methodology used to explore this case study group was varied slightly. Twelve consultations were undertaken with people employed in a wide variety of personnel and development positions from across the public and private sectors<sup>25</sup>. These consultations were complemented by two focus groups with personnel and development practitioners, as well as consultations with the Chartered Institute for Personnel and Development and the Employment NTO.

During the past five years the recruitment consultancy industry has been subjected to a series of mergers and acquisitions, which have created some very large

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<sup>25</sup> The characteristics of the industries in which the respondents were located are highlighted in Table 9.

players in the market. However, the majority of recruitment consultancy firms are SMEs.

The case studies selected for inclusion in the study are representative of the sector both in terms of the market they service and the size of firm. Extremely large organisations have been excluded from the study because it was considered imperative to acquire the views of employers forming the majority of the recruitment consultants across the UK.

Table 8: The Recruitment Consultant Case Studies

Identifier	Main service area	Number of Employees	Employee Growth	Reason for Change	Proportion of Employees (%)
R1	Financial services recruitment consultancy	5	Static	N/A	60
R2	IT recruitment consultancy	12	Growth	Business Expansion	66
R3	IT and Telecommunications recruitment consultancy	100	Rapid growth	Growth of high-tech skills shortage	60
R4	Healthcare recruitment agency	50	Growth	Business Growth	60
R5	Hospitality industry recruitment consultants	8	Growth	Business Growth	62
R6	Non-specialist recruitment agency	12	Fluctuated slightly	Reassessment of business area	58
R7	Primary and manufacturing industries recruitment consultants	9	Slight growth	Business Growth	66
R8	IT and marketing recruitment agency	4	Static	N/A	100
R9	Automotive engineering support services	350	Rapid Growth	Business development	20 <sup>26</sup>
R10	Accountancy recruitment specialists	6	Slight growth	Business development	50

Source: KPMG 2001

Following a period of retrenchment during the early 1990s, recruitment consultancy has experienced a period of growth over the past five years. This growth has in the main concentrated on recruitment consultancies that service industries experiencing acute skill shortages, most notably for IT workers. The

<sup>26</sup> This recruitment consultancy forms part of a larger grouping of services.



increase in demand for consultancy services was the key force driving the demand for employees. As *case study RI* noted, “employment growth goes in line with the economy. It’s an industry that is easy to get into, therefore demand outstrips supply on the way up and there’s always a shake out if there is a recession.”

Across the majority of case studies, recruitment consultants formed over 50 per cent of employees and were considered the 'key' role in the firm. In general, all jobs, including that of the branch manager, are likely to include recruitment functions. Indeed, in the larger firms the core recruiting skills remain relevant within all employment levels up to regional management.

#### **4.3 The nature of demand for personnel officers and recruitment consultants**

##### **4.3.1 The nature of demand for personnel officers**

Table 9 highlights the changing demand for personnel officers. In general, the demand for personnel and development officers had been shaped by the industry in which the employee was located. Overall, the demand for personnel and development officers has been negligible with the majority of firms experiencing a slight decline in demand.

Table 9: Changing Demand for Personnel and Development Officers

Identifier	Industry sector in which respondent employed	Role of respondent	Demand for Personnel Officers	Reason for Change	Future Demand
<i>P1</i>	Retailing	Regional HR Manager	Falling	Business Realignment	Static
<i>P2</i>	Public Sector Organisation	Senior Executive HR Officer	Fallen slightly	Cost reduction exercise	Static
<i>P3</i>	Financial Services Sector	Senior HR Manager	Risen	Business Growth	Static
<i>P4</i>	Financial Services Sector	Head of Management Change	Static	N/A	Static at correct level to deliver required service
<i>P5</i>	Telecoms Sector	HR Manager	Falling	Retrenchment due to cost saving	Fall due to subcontracting
<i>P6</i>	Retailing	HR Manager	Risen slightly	Introduction of new areas HR function	Static
<i>P7</i>	Public Sector Organisation	Executive HR Officer	Static	N/A	Decline slightly
<i>P8</i>	Health Authority	Personnel Manager	Static	N/A	Static
<i>P9</i>	Health Authority	Director of Personnel	Static	N/A	Static
<i>P10</i>	Financial Services	Personnel Officer	Fallen slightly	Business realignment	Static
<i>P11</i>	Utilities company	Head of Personnel	Static	Business realignment	Slight fall
<i>P12</i>	Aerospace Engineering	Personnel Manager	Static	N/A	Slight reduction

Source: KPMG, 2001

The number of personnel and development officers employed within a firm is largely determined by the human resource strategy practised. A number of the case studies had restructured the HR function, which in certain cases had led to an outsourcing of elements of the department's remit e.g. training and recruitment. For example, *case study P5*, a telecommunications firm, was undertaking a cost reduction exercise and was in the process of outsourcing its training function.

Other firms had decided to streamline the recruitment process by making certain aspects of recruitment Internet based or outsourcing it to recruitment consultants.

There was also evidence of firms passing the lower value aspects of the personnel and training process to line managers, who were in certain cases becoming responsible for the recruitment and training of their team members. Where companies had followed any of these strategies, the demand for personnel officers had reduced. The development of outsourcing within personnel and development is one reason stimulating a rise in demand for consultants (both self employed HR consultants and specialist recruitment consultants). Future demand for personnel and development officers is expected to remain static. The exact nature of demand for personnel and development officers will be determined by the HR strategies followed and the economic fortunes of the industry in which it operates.

#### 4.3.2 **The nature of demand for recruitment consultants**

Demand for recruitment consultants has risen over the past five years. *Table 10* highlights the fact that those companies experiencing an increase in demand for recruitment consultants were those companies who were recruiting in fast growing market areas. This growth was also driven by the fact that, as noted above, companies are continuing to outsource elements of the personnel function. As *case study R2* noted; “demand for recruitment consultants is expected to increase because personnel functions have so many other issues to address that recruitment is an added task that they can do without.” In general, the growth in the number of recruitment consultants was the main reason for overall employment growth. The overall consensus was that future demand for recruitment consultants would rise in line with the growth in business demand. However the level of demand expected is likely to be lower than that found previously in the industry.

Table 10: The Changing Nature of Demand for Recruitment Consultants

Identifier	Main service area	Demand for recruitment consultants	Reason for Change	Future Demand
R1	Financial services recruitment consultancy	Numbers have remained the same	N/A	To remain the same
R2	IT recruitment consultancy	Significant increase	Main reason for employment growth	Increase as business growth continues
R3	IT and Telecommunications recruitment consultancy	Significant increase	Main reason for employment growth	Increase as business growth continues
R4	Healthcare recruitment agency	Growth	Volume of work	Increase with volume of work
R5	Hospitality industry recruitment consultants	Growth	Opening a new branch	Increase with volume of work
R6	Non-specialist recruitment agency	Static	N/a	Remain the same
R7	Primary and manufacturing industries recruitment consultants	Static	N/a	Growth with business
R8	IT and marketing recruitment agency	Slight growth	Business expansion	Growth with business
R9	Automotive engineering support services	Static	N/a	Growth with business demand
R10	Accountancy recruitment specialists	Slight growth	Business expansion	Growth with workload

Source: KPMG, 2001

#### 4.4 The job tasks of personnel officers and recruitment consultants

The key tasks associated with carrying out the job roles of personnel and development officer and recruitment consultant are fundamentally different and so each sub-occupation is considered individually.

#### 4.4.1 Job Tasks of Personnel Officers

In general, personnel and development officers move into the role after a period of employment as a personnel assistant. The case studies revealed that the role of a personnel and development officer<sup>27</sup> differs depending upon the size of the organisation and the industrial sector in which it is located.

People employed as personnel officers pursue either a generalist or specialist career path. Generalists tend to have both personnel and development responsibilities; specialists meanwhile follow either a personnel or a training route. This research concentrated on personnel specialists who concentrate on the personnel aspects of the role.

Personnel officers are typically responsible for:

- The recruitment process, identifying, interviewing and recruiting employees either directly or through recruitment agencies. Ensuring operational managers have the employees and skills they require to allow their parts of the business function to operate effectively.
- Ensuring employee administrative records and systems are in place and up to date.
- Making sure the firm complies with UK and EU employment law with respect to working time, equal opportunities, health and safety, holiday entitlements etc.
- Implementing and overseeing compensation and benefit packages in terms of employee wages and associated additional benefits e.g. ensuring payroll systems are in place.
- Providing an industrial relations role – offering practical advice on disciplinary and grievance matters.
- Implementing personnel and human resource strategies. Assisting senior personnel staff in the strategic planning process.

The case study evidence suggests that the tasks associated with being a personnel officer have not significantly changed over time. Whilst the tasks have remained constant, the introduction of systems and technologies has meant the skills associated with recording and manipulating this data have not remained constant. However, it should be noted that whilst the basic job tasks have not changed, elements of these tasks have in certain firms been removed from the job role of a personnel officer. As such, not all personnel officers will perform all the job tasks outlined above.

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<sup>27</sup> For the purpose of this study ‘personnel officers’ are considered to be those individuals who have reached the competency level associated with the CIPD’s Certificate in Personnel Practices

#### 4.4.2 Job tasks of recruitment consultants

The job role and associated tasks of the recruitment consultant are clearly very different from those people employed as personnel officers. Recruitment consultants provide a service to employers in order to fulfil their recruitment needs. The main tasks involved in providing this service can be split into two areas: getting candidates into employment and ensuring that clients (firms) are able to find the candidates they need. The duties associated with the role therefore encompass:

- Receiving telephone calls from prospective candidates. Receiving CVs from people who register with the agencies and who apply for particular vacancies.
- Taking down details of candidates work history and experience, liaising with candidates about potential job opportunities.
- Database searching to match potential employee with employer - screening suitable employees against clients' specification e.g. filling vacancies.
- Short-listing potential employees, interviewing where necessary on behalf of the client.
- Selling services to and liaising with employers looking to recruit employees. Servicing the needs of existing clients. Recording the needs of the client in terms of recruits required.
- Writing adverts for clients and posting these either on the Internet, newspapers, trade press etc depending on the medium used. Sending details of prospective clients to employers, interviewing if necessary.

IT recruitment firm, *R3* summed up the key tasks involved in being a recruitment consultant when it noted, "Our recruitment consultants write adverts which are posted out on the Internet and the trade press. They receive C.V.s from candidates; also search the database to try to find candidates who they then match to the needs of clients. So the job is predominantly telesales, speaking to candidates and clients and getting the best match possible."

The Recruitment and Employment Confederation noted that the tasks carried out by recruitment consultants vary dependant upon the size of the firm. In large firms there is often a division of labour between those sourcing candidates for employers and those who deal with prospective candidates. Meanwhile, in smaller firms the same recruitment consultant will perform both of these tasks. Manufacturing recruitment agency *R7* noted these distinctions in tasks stating, "the tasks fall broadly into two halves, business generation in terms of developing new and ongoing relationships with a wide variety of clients – the people who are looking to recruit. And then the other half is actually working on the vacancies you actually have at any one time. So in doing that it is normally a combination

of writing different adverts, going through responses to adverts and then interviewing people, drawing up shortlists and then arranging for them to see the client. Then there's the process of sending details over and perhaps interviewing with the client. The whole thing is a selling process really."

The critical tasks associated with performing the role of a recruitment consultant appear to have remained relatively constant. However, technological advancements have introduced new media through which jobs are advertised and this may over the longer term change the tasks associated with the job role. This change has also meant that the skill-sets required by recruitment consultants have subtly changed. The growth of Internet recruitment exemplifies this trend as IT recruiter *R3* noted, "with the growth of the internet the job tasks have changed. Whereas before it was very much about writing press ads, now it is very much posting jobs on web sites, receiving CVs by email, so its very much more information age than it used to be."

## **4.5 Skills and attributes of personnel officers and recruitment consultants**

### **4.5.1 Skills and attributes of personnel officers**

The technical and generic skills and personal attributes associated with being a personnel officer are listed in Table 11. As the role of the personnel officer has moved away from one associated with administration and welfare and become increasingly a strategic and consultancy type role, the skills required to undertake the job have shifted. In response to these developments, personnel officers now need a different mix of technical, interpersonal and generic skills.

IT, data management and analytical skills have become more important as HR systems have become progressively more sophisticated. For example, a range of generic IT skills is now required in order that personnel officers can use and update the HR management systems in place. As important is a solid grasp of employment law and how it impacts upon HR procedures and policies.



*Table 11: Skills and Attributes of Personnel Officers*

Technical Skills	Generic Skills	Personal Attributes
Theoretical knowledge of employment law etc.	Analytical skills	Inter-personal skills
Bespoke IT systems e.g. payroll systems	Creative thinking	
Interviewing skills	Customer handling skills	
Industry/firm specific knowledge	Flexibility in approach	
	IT skills/computer literacy	
	Mediation	
	Negotiation skills (basic)	
	Numeracy	
	Organisational skills	
	Problem-solving	
	General report writing	
	Team working	
	Written skills/literacy	

*Source: KPMG, 2001*

As technology is speeding up and easing the administrative responsibilities of personnel officers, the extent to which they interact with the operational decision making elements of the business has increased. As a result, personnel officers require well developed business acumen as they now contribute more to aligning human resource policies with long term strategic goals. This represents a major change in the remit and skills associated with the job role of a personnel officer. Until recently personnel officers were perceived to have good specialist knowledge about their particular function but to have a relatively poor standard of general business acumen.

General business skills become progressively more important as personnel and development officers progress in their careers. As one focus group member commented “the higher up the ladder you go the less personnel has to do with people and more to do with strategic planning”. Personnel officers play a limited but important role in helping senior personnel colleagues design and implement human resource policies.

A high level of interpersonal skills is still the key skill needed to undertake the personnel and development role. Personnel officers need to be able to communicate effectively with a disparate group of customers including employees, employers and trade unions. Personnel officers typically report to personnel managers who tend to work at a more strategic level.

#### 4.5.2 Skills and attributes of recruitment consultants

Recruitment consultants require a distinct skill set from that found amongst personnel and development officers (*see Table 12*). The mix of skills needed is determined by the sales nature of the recruitment consultant role. The principal skills required are communication, negotiation and selling skills.

*Case study R3* highlighted the importance of these skills noting that, “strong communication skills are paramount, as well as drive, resilience, a sense of humour certainly, the ability to control a sale – so a natural sales aptitude – and IT skills.”

Recruitment consultants require few technical skills for which they receive formalised training. The technical knowledge required is associated with ensuring they are familiar with the market the firm serves and the IT skills needed in order to input and manipulate the technological systems the firm has in place. *Case study R10* summarised the required skill-sets as, “the ability to get on with people, the ability to understand requirements from both the client end and the candidate end, to successfully interview candidates, to understand client requirements. So a lot of intelligence, adaptability, awareness, computer skills are quite important, but it’s really investigative skills and analytical skills, probing people’s backgrounds, understanding client needs and successfully placing the person. People also need technical knowledge of the markets they are serving. So people who are recruiting accountancy staff should either have a background in accountancy or at least some knowledge of the subject to understand the needs of both sides.”

*Table 12: Skills and Attributes of Recruitment Consultants*

Technical Skills	Generic Skills	Personal Attributes
Industry sector knowledge	Accuracy	Inter-personal skills
Recruitment writing skills	Analytical skills	Confidence
Recruitment specific selling skills	Customer handling skills	Determination/tenacity
	IT skills/computer literacy	
	Negotiation skills (basic)	
	Numeracy	
	Sales skills (basic)	
	Written skills/literacy	

*Source: KPMG, 2001*

All recruitment consultants require excellent interpersonal skills. As *case study I7* noted, “It does depend on the sector and the type of people they are dealing with. So if you are dealing with young hotshots from a dot-com company, that’s probably very different from legal recruitment into a blue chip firm. It does vary

so it's very important that they empathise with the personalities involved. But recruitment consultancy is a sales-based job, so it needs people who are happy with working to targets and working with those pressures and having the drive and ambition to achieve their targets.”

The Recruitment and Employment Confederation noted that the core skills needed by recruitment consultants have remained stable for a number of years. They suggested that the only skill area that has changed is the level of technical knowledge required. Recruitment consultants now require in-depth industry knowledge about the sector into which they are recruiting in order to offer a more effective service to clients. As such, recruitment consultants working in specialist agencies are now likely to have had prior work experience in the industry for which they are now providing a recruitment service.

#### 4.5.3 **Skill development strategies**

A mixture of in-post experience, on-the-job training and professional development was used to develop the skills required by personnel officers and recruitment consultants. However, recruitment consultants were much less likely to use formalised external training provided by professional bodies.

The case studies revealed that a personnel officer's skills are most successfully developed through in-post experience, coupled with formal in-house and external training. This external training is usually delivered in conjunction with the Chartered Institute for Personnel and Development (CIPD). The training provided by the CIPD is seen to provide the theoretical framework that underpins an individual's practical work experience. The consensus amongst respondents was that the CIPD Certificate in Personnel Practice (equivalent to NVQ level 3) is an extremely useful introduction to those people starting their personnel careers and working in personnel officer type roles. Gaining experience outside the personnel specialist function is also considered extremely beneficial so that individuals are able to acquire wider strategic decision making skills.

Recruitment consultants typically acquire the skills they need through in-post experience and on-the-job training. In general, this on-the-job training is informal in nature. The view amongst employers was that they tend to recruit people with practical industry experience and the appropriate interpersonal skills and then train them to use the operational systems that are specific to the firm. This approach to skills development is shown clearly by case study *R2*, that noted that “without a shadow of a doubt skills developed through in post-experience. Although on the surface a lot of recruitment companies seem to offer the same service, a lot of us have different approaches to the market and I think that putting our own people out on an external training course is unlikely to give us the specific experience which our consultants require.”

## 4.6 **Recruitment strategies and entry requirements**

Employers used differing recruitment strategies to source personnel officers and recruitment consultants.

### 4.6.1 **Personnel officers**

Personnel officers tend to be recruited from both internal and external routes dependent upon the size of firm and the industry sector in which the firm operates.

Where possible, personnel officers are recruited internally through promotion from a personnel assistant role. The personnel assistant role is used as a training role and provides individuals with a very basic introduction to personnel practices.

People also enter into their initial personnel job role after undertaking a more operational role both within and outside the firm in which they are working. One characteristic response from a senior personnel manager described how he entered onto a trainee management scheme and realised that he liked managing people rather than products and so moved into a trainee personnel position and started a career in personnel. Another respondent, currently a senior personnel manager in the public sector, noted how she began her career in secretarial type positions and then decide that she wanted to move into personnel.

The recruitment of personnel officers also takes place in the external market. However, entrants have usually gained some initial personnel experience before entering the personnel officer role. The specificity of the job tasks associated with being a personnel officer means that it is a difficult position to move into without having gained any previous experience and knowledge.

Individuals brought in from the external market without prior experience will more than likely enter the personnel officer role as a trainee and learn on the job. Graduates or people with general industry experience entering personnel officer roles frequently enter via this route.

Employers noted that the main skill shortages they experienced when recruiting people both externally and internally was a lack of people with both personnel and operational experience. This skill-mix has become key in the personnel field, yet to date relatively few individuals have this range of skills.

### 4.6.2 **Recruitment consultants**

Recruitment companies tend to source consultants from the external labour market and then 'grow their own'. However, limited internal recruitment also occurs with people who were originally employed in administrative positions moving into consultant positions. The small size of many recruitment consultancies means that internal promotion can be problematic given that the majority of people in the company will already be carrying out a limited recruitment consultancy role within the job role they already perform. In larger firms this

situation occurs less frequently and there is evidence of some career progression opportunities.

Employers are now looking to recruit people with a good knowledge of the market segments in which they operate. As such, the industry has moved more towards recruiting people with the appropriate industry experience as shown by the following two quotes:

“We always get the best results from people who have been employed in insurance or financial services. They understand what our clients are about. We would prefer to have people from an operational rather than a sales background” (Recruitment consultancy servicing the financial service sector).

“We recruit from employment which has given them familiarity with the sectors which the firm works in, either working in that sector or supplying something to it, so that they have got a network of contacts. Previous recruitment experience is good if it’s been with a good company that’s offered training but actually some recruitment consultancies don’t offer that and some of the people from other agencies are not necessarily a good thing because they can have quite bad habits” (Non-specialist recruitment consultancy).

## **4.7 Entry level and professional body qualifications**

### **4.7.1 Personnel officers**

When recruiting personnel and development officers, employers tend to recruit entrants with A-level or equivalent qualifications. People entering into these positions often join the firm through a general trainee management opening and choose to specialise in this functional area.

In addition, personnel officers are also expected to have acquired or to be in the process of acquiring an occupationally related qualification such as the CIPD Certificate in Personnel Practice or less commonly a NVQ3 in personnel support<sup>28</sup>. As one senior personnel manager working in the public sector noted, “when recruiting at personnel officer level I look for someone who is already working in personnel and who is part CIPD qualified probably to Certificate level.”

Respondents generally considered that the Certificate in Personnel Practice (NVQ level 3 equivalent) provided employees with the basic theoretical underpinnings needed to perform the personnel and development officer job role. Employers by and large considered the achievement of this qualification to be a proxy for technical competency.

The prevailing view amongst respondents was that the CIPD, although providing a useful role, sometimes lacks leading edge and was criticised for not developing

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<sup>28</sup> There are no minimum entry requirements in terms of qualifications for entry onto the course.

qualifications in line with new areas of thinking in the personnel and development field. Entrants into recruitment consultancy are rarely school leavers with very few people entering the occupation as their first job.

#### 4.7.2 **Recruitment consultants**

The Recruitment and Employment Confederation estimates that around 30 per cent of people employed in recruitment consultancy positions are graduates. The high proportion of graduates entering the occupation reflects the enhanced supply of graduates in the labour market and the fact that graduates are attracted to the work due to the perceived returns they can enjoy.

Employers appear on the whole not to set a minimum level of qualification but note that ideally they would like to employ people who are graduates or who have at least A' levels. The recruitment consultancy role does not require graduate level skills and employers are taking advantage of the surplus supply in the labour market.

In many instances formal qualifications are considered secondary in importance to industry experience and are used mainly as a proxy to gauge a level of general intelligence rather than being of any direct relevance to the skills required to do the job..

The Recruitment and Employment Confederation<sup>29</sup> offer the industry two qualifications to the sector, the foundation and the certificate which are equivalent to NVQ level 2 and 3 respectively. There is also an NVQ3 in recruitment consultancy, which has suffered from a very poor take up of provision. Providers do theoretically exist but as yet there are not enough students coming forward to make the courses viable. It was estimated that there are less than 50 individuals nationwide taking such courses.

### 4.8 **Training and employee development**

Training for people employed in personnel and development officer positions tends largely to be in-house and then supplemented by professional training offered through the CIPD. Very low proportions of employers encourage personnel officers to undertake the NVQs in personnel practice and they remain the poor fellow to the CIPD's Certificate in Personnel Practice.

In-house training is considered to provide personnel officers with the practical skills required to undertake their daily job roles. Professional qualifications meanwhile provide the individual with the theoretical knowledge that underpins their job role.

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<sup>29</sup> According to the Recruitment and Employment Confederation it has approximately 6,000 corporate members out of a possible 12,000 recruitment agencies. In addition there are around 8,000 individual members out of a population of 80,000 recruitment consultants.

Employers provide in-house training to recruitment consultants in order that they are able to utilise the systems in place and have the ability to convey a confident message and service to candidates and clients. The industry tends to bring people into recruitment consultancy positions and then train them through internal training courses and in-post experience. The training that occurs tends to be job specific and there is little evidence of employee development in a more general sense.

Employers noted that they generally provide employees with in-house training, which tends to be job specific. This is shown by the following quote from IT recruitment consultancy R3 which noted, “We offer in-house training – training on our system, the database that we use here, technical training. We offer sales training. So we offer training for example, say, on how to handle an objection, how to control a sale, how to get the information that you need, and the profiling of a job-seeker or candidate. How to sell the candidate to the client. So all the elements of the recruitment process and the sales cycle. And we have a national training manager who’s written our own courses on IT recruitment.”

Other areas of training provided to recruitment consultants include guidance about employment law and information to update people’s knowledge about a particular market area. On the whole the training provided to recruitment consultants does not lead to any specific qualifications. Three of the employers interviewed actually had employees undertaking the Recruitment and Employer Confederation’s Foundation Vocational Award in Employment Practice.

On the whole however the recruitment consultants surveyed were ambivalent about the role of the REC in delivering training for their organisation. The following quote by an IT recruiter is typical of the industry’s response, “To be perfectly honest, we are a member of REC and it is a good thing to have on our adverts but it doesn’t have a great impact on our organisation. The standards are the commonsense professional standards that you’d expect. They do have professional qualifications but we don’t do that purely because the sales team want to make their commission. We do have one or two consultants trained through REC but they chose to do that themselves. We tend to train our people internally.”

#### 4.8.1 **The foundation degree and skills development**

The emerging view from the personnel and training field was a concern that the foundation degree may only be an inappropriately enhanced HND. As such there is the apprehension that foundation degrees may in fact be a product looking for a market, rather than being a direct response to needs identified by employers. As such, the view, which emerged, was that the development of foundation degrees needs to be mapped to prevailing industry standards to ensure that they reflect industry needs. In theory therefore foundation degrees could be an effective tool in developing skills at the associate professional level however they must ensure that the course content and the way in which they are delivered reflect the needs

of business and the need to balance industry experience with academic qualifications.

The recruitment consultant industry has traditionally demonstrated an apathy to vocational qualifications and this indifference was again evident with respect to foundation degrees. Employers consider industry experience to be more valuable than qualifications and noted that the drive, motivation and rapport needed to succeed in the industry cannot be taught in a formal manner. The rise in the level of legislation across the industry is causing some firms to reassess this position. The Recruitment and Employment Confederation also noted that it did not expect that the advent of foundation degrees would have any major impact upon the recruitment industry because there will be no course dedicated to recruitment consultancy and as such the qualification will not be seen to meet the needs of the industry.

#### **4.9 'Typical' career paths of personnel officers and recruitment consultants**

Once people are employed as personnel officers they are very likely to maintain their career within personnel and development. Employee turnover amongst people working in personnel officer positions tends to be low and tends to be caused by people leaving their current position in order to progress their careers.

In general, personnel officers will possess or be in the process of undertaking the professional exams offered by the CIPD, beginning with the Certificate in Personnel Practice.

Personnel officers tend to progress into a personnel management type role. Once individuals become personnel managers their remit widens to include direct liaison with line managers, overseeing the implementation of the human resources strategy and specific policies as well as managing the personnel function. In larger organisations people may have the chance to specialise in one particular area of personnel such as industrial relations, whereas in smaller organisations they tend to have responsibility for all areas. The next step on the career ladder is generally to head up the personnel function and provide direct support to the corporate executive in terms of developing and implementing the corporate plan. There appears to be a growing tendency for people to move into operational type roles once they have reached personnel manager level in order to give the strategic experience required in order to fulfil the head/director of department role.

Employee turnover amongst recruitment consultants remains 'stubbornly high' and much greater than that found amongst those people working as personnel officers. The Recruitment and Employment Confederation however noted that despite the high turnover of staff, employees tend to stay within the industry, so the turnover typically represents churning in the industry rather than staff moving in and out of the industry. Employees are most likely to leave the industry during the initial six months of their career after discovering that it did not meet their



expectations. Once employees have been employed in the industry for more than six months the chances of them leaving is considered to fall dramatically. On average the case studies reported that successful recruitment consultants stayed in the firm around 3 years and left to enhance their career prospects. The firms recognised the importance of maintaining motivation amongst staff and considered it their responsibility to ensure that employees believed they had career paths and goals to aspire to. Promotion largely depends on their success at selling the company's services and demonstrating the commitment to build on this success.

Amongst larger firms there is evidence that a career ladder exists. Job titles range from trainee to consultant, to team leader to branch manager within branches, with regional positions affording further promotion. As noted previously, all jobs in branches, including the role of branch manager, are likely to include recruitment functions, so the core recruiting skills remain relevant at all stages before regional management.

## 5 **Case study 4: market researchers - 3543**

### 5.1 **Introduction**

Situated in the Sales and Related Associate Professionals Minor Group (354), market researchers (3543) ‘assist in the development and implementation of projects which aim to elicit the preferences and requirements of consumers, businesses and other specified target groups so that suppliers may meet these needs’ (ONS, 2000).

The sales and related occupational group is predicted to experience a 2 per cent annual growth during the 1999 to 2010 period. By 2010 this occupational minor group is expected to contain around 634,000 jobs.

The job tasks associated with being a market researcher include discussing business methods to identify marketing requirements, establishing an appropriate methodology, collating finding and presenting results, discussing possible changes that need to be made to products in light of market research and briefing advertising teams on client requirements, monitoring the progress of advertising campaigns and liaising with clients.

### 5.2 **Contextual information – key characteristics of the case studies**

Market research forms a discrete industry sector rather than the more usual cross-sectoral position of other forms of marketing. The case studies examined market research firms covering various sectors and ranging from three to 250 employees.

In these firms market researchers represented between five and 100 per cent of the total firm employees.<sup>30</sup> There appears to be no obvious correlation between the number of employees within a market research firm and the percentage of market researchers in the workforce.

On the whole the market research firms reported employment growth during the previous five years. The most popular explanation of this growth was ‘business expansion’ whereby the number of employees rose alongside an expansion in the amount of market research undertaken by the firm.

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<sup>30</sup> It should be noted that ‘working proprietors in small businesses’ are included in SOC Major Group 1 – Managers and Senior Officials. Since the firm reporting a 100% incidence of associate professional has 3 employees it is therefore reasonable to assume that a more accurate percentage would be 66%.

Table 13: The Case study Firms

Identifier	Main product area	Number of Employees	Employee Growth	Reason for Change	Proportion of Market Researchers (%)
M1	Market Research	14	Increase	Business growth	50
M2	Market Research	48	Increase	Business growth	85
M3	Market Research	125	Increase	Increased emphasis on market research	5
M4	Market Research	150	Increase	Business growth	67
M5	Market Research	70	Increase	Business growth	21
M6	Market Research	110	Increase	Business growth	25
M7	Market Research	5	Increase	New company	67
M8	Market Research	8	No Change (over five years)	Planned reduction (from two years ago)	63
M9	Market Research	3	Increase	Business growth	100
M10	Market Research	55	Increase	Business growth & acquisitions	22
M11	Market Research	250	Increase	Business growth	60

Source: KPMG, 2001

### 5.3 The nature of demand for market researchers

The employers surveyed reported a strong demand for market researchers with eight of the ten firms reporting an increase in the number of market researchers employed (Table 14). Only case study *MI* reported a decrease in the number of market researchers employed whilst the overall number of staff had actually increased. This situation arose because more market research tasks were given to employees who were working in an administrative function<sup>31</sup>.

Strong future demand for market researchers was expected amongst the case studies with the majority of respondents predicting an increase due to continued business expansion. This was even evident from case study *MI* that reported a decreasing demand for market researchers during the previous five years. On the

<sup>31</sup> Classified as SOC Major Group 4: Administrative and Secretarial Occupations

whole therefore the future prospects for the market research industry appear optimistic with the growth in the industry expected to continue over the medium to long term.

The market research firms not predicting a growth in demand for market researchers were two of the three smallest firms in the sample, with three and eight employees respectively. These firms did not consider that they would require additional market researchers in order to meet business expansion.

Table 14: The Changing Nature of Demand for Market Researchers

Identifier	Main Product Area	Demand for Market Researchers	Reason for Change	Future demand
M1	Market Research	Slight decrease	More responsibility for admin staff	Increase due to business expansion
M2	Market Research	Increase	New Company	Increase due to business expansion
M3	Market Research	Increase	Business expansion	Increase due to business expansion
M4	Market Research	Increase	Business Diversification	Increase due to business expansion
M5	Market Research	Increase	Business expansion	Remain static
M6	Market Research	Increase	Business expansion	Increase due to business expansion
M7	Market Research	Increase	New Company	Increase due to business expansion
M8	Market Research	Fluctuates	n/a	Remain static
M9	Market Research	Increase	Business expansion	Remain static
M10	Market Research	Increase	Business expansion	Increase due to business expansion
M11	Market Research	Increase	Business expansion	Increase due to business expansion

Source: KPMG, 2001

#### 5.4 The job tasks of market researchers

The job role undertaken by a market researcher was summarised succinctly by *case study M1* that stated that market researchers; “take a brief from a client and draw up the proposals, organise the field work, analyse the results and then present it back to the client”. *Case study M7* meanwhile stated the job role of a market researcher is, “basically to be involved in the design, management, analysis and interpretation of research projects”.

The key tasks of market researchers cover a wide range of functions with staff expected to see a project through from the proposal stage to presentation. *Case study M10* gave a typical response describing the job tasks associated with the market research role as, “looking after clients and translating briefs into proposals, getting the jobs and looking after the jobs, liaising with field and data processing and other departments and external suppliers, and then delivering the results of the job and interpreting them for the clients”. *Case study M5* endorsed that view stating; “they’re project managers really, they manage the whole research process from once we’ve won the job along to a briefing meeting and right through to writing a report and presenting it”.

As market researchers develop their careers and level of competency in research techniques they take on the responsibilities associated with a client facing role rather than merely being responsible for carrying out the various research elements of the market research project. However, market researchers will typically still be involved in the research process and design and deliver questionnaires and interpret and present results. However, senior market researchers tend not to get involved in the actual administration of the project e.g. chasing respondents, posting questionnaires etc.

Employees noted that the exact form and distribution of responsibilities of market researchers differ depending on the size of the firm. Market researchers in small firms tend to undertake all activities associated with a market research project including administration and project management as well as liaising with clients. In larger market research firms new entrants will begin their market research careers by undertaking project administration so that they are able to observe and learn the research and analytical skills associated with the market research role.

*Case study M2*, with 48 employees, was the only firm to emphasise specialisation in the occupation and the associated variety of tasks stating; “they vary ... some of them are heavily concerned with data processing, database analysis and all that stuff, others are concerned with project management, others are specialists of one kind or another.”

#### 5.4.1 **The extent to which the job tasks undertaken by market researchers have changed**

Employers did not report major changes in the job tasks undertaken by market researchers. All but one of the case studies reported that the skills required were stable and that ‘fundamentally it’s the same job’ (*case study M10*). *Case study M8* noted that the services offered to clients had remained consistent, where changes had occurred they were ‘in terms of the management of the company’.

Where changes were reported they were identified as being relatively minor. For example, *case study M2* stated that ‘the only thing that has changed in the last four years is that we now do some interviewing using the web rather than other

methods'. The use of the Internet was also highlighted by *case study M4* as part of wider changes in research methods resulting from the progress of the discipline.

## 5.5 Skills and attributes of market researchers

The employer case studies reported that a mixture of technical skills and personal attributes were required for a successful career as market researcher (*Table 15*).

There was little agreement across the sample on skills needed beyond 'market research skills'. No single set of skills emerged. *Case study M6* highlighted the range of skills and attributes needed, listing; "attention to detail, communication skills, both handling clients internally and externally, because at the end of the day getting a project through the business is all about basically how you communicate with other people you are reliant on, project management skills, IT skills ... report writing ... and as staff get more senior presentation skills." This complexity was also reflected by *case study M8*; "you have to be very organised and you have to be self-sufficient ... you have to be a creative thinker, good written skills, good writing ability, good presentational ability, so it's multifaceted really. It's the understanding of, in our business, how a marketing department works, what a client company does, because how can you provide in a sense consultancy services to a client if you have no understanding of how their business or their organisation works?".

*Table 15: Skills and Attributes of Market Researchers*

Technical Skills	Generic Skills	Personal Attributes
Research design	Accuracy	Inter-personal skills
A range of qualitative and quantitative research techniques	Analytical skills	Confidence
Presentation skills	Customer handling	
Data manipulation using specific IT packages	IT skills/computer literacy	
Facilitation	Numeracy	
	Organisational skills	
	Problem solving	
	Team working	
	Written skills/literacy	

*Source: KPMG, 2001*

The primary generic skills and personal attributes required by market researchers were defined by *case study M10* as "confidence, attention to detail, good numeracy and literary skills, good communication skills and a logical mind' and

by *case study M9* as “intelligence, a fairly high level of competence with data and IT skills”.

Where technical skills were prioritised they tended to refer to either knowledge of the industry or familiarity with research techniques; ‘first of all is skills in quantitative analysis (*case study M8*) and “the key is knowledge of market research, an ability to deal with the internal process of field and computing, a level of computer skills ... analysis is a big one, you’ve got to set data tables, be able to summarise and analyse and extract the relevant information” (*case study M5*).

There is some evidence of differentiation in the types of skills required, firstly by specialism, so that market researchers may be qualitative or quantitative specialists, or less commonly by sector, for example finance, pharmaceuticals or automotive. Secondly by seniority so that “at the higher level we look for people with experience in moderating focus groups and also for people who have a good grasp of quantitative techniques for analysing the data” (*case study M1*).

‘The range of skills needed to perform the job change with seniority, so that project management skills such as costing and client-facing skills become more important. There are however no set routes to promotion beyond proving yourself’ (*case study M11*).

#### 5.5.1 **The extent to which these skills and attributes have changed over time**

The Market Research Society felt that the skills required to do the job had not changed much over time, although where there have been changes, they have been in areas such as a need for an increased awareness of the business context of the research, and project management skills. The range of skills needed is widening in response to market expectations, rather than some skills becoming obsolete and being replaced by others.

The employers surveyed reinforced that view, suggesting that the skills and attributes have remained constant over a number of years, with eight out of ten respondents reporting no changes.

Computer literacy and the ability to learn new analytical packages were noted to be becoming progressively more important. Of the employers noting a change in the skills required, *case study M9* highlighted a change in methodological competences especially the use of the computer program CONVERT for analysis, while *case study M6* argued that “there’s been a move to more analysis now ... to keep one step ahead of the competition linking methodological advances to competitive pressure.”

Changes in client handling have brought about a change in attitude; *case study M8* noted that “if you analyse the basics of what is actually involved that hasn’t changed at all, but the standards that are demanded and the ways in which you do it move on.” Similarly *case study M6* stated “the client handling has become



more important over time because 80 per cent of our business is through developing existing clients, so obviously building that relationship has become more and more important.”

### 5.5.2 Skill development strategies

Skills are considered to be most effectively developed in-house by informal training and actually observing more senior members of the research team performing the role. Therefore, in-post experience is the most common source of skill development with “getting your hands dirty”(case study M5) considered to be the best way to develop the requisite skills.

Market researchers are predominantly graduates who are expected to possess at least the basic research skills required. As such, the majority of informal and formal training offered is designed to introduce new entrants to the in-house systems as well as refreshing and updating the research skills they possess. However even at the recent graduate level experience was important; “I get ten letters a week saying ‘I’ve got these kinds of skills and experiences and I think I’ll be valuable to your organisation’ from graduates and they actually know nothing because they haven’t been out in the world, they don’t know how companies work. So when we’ve had trainees or placements, our best people are people who’ve had work placements working in the job ... you need a certain level of numeracy and literacy and general awareness but you can only get that on the job” (case study M8).

*Case study M6* summed up the skill development strategies employed by market research organisations noting that it is “a combination of all three [full-time education, vocational training and in-post experience] plus a certain natural ability, flair, whatever – the factor X that people are born with. I’d say vocational training is probably the ... least important element at the moment, and the other two are probably equal, but in time and with increasing seniority in the post, the in-post experience becomes the most critical.”

## 5.6 Recruitment strategies and entry requirements

The recruitment of market researchers is mostly from the external labour market. All respondents recruited from the external labour market, with only two also recruiting internally. Where staff are recruited internally, they were recruited from the firm’s telephone interviewing department, thereby moving from casual employment into an associate professional occupation (*Case study M4*). *Case study M6* outlines the situation for small firms; “if people are improving and developing and have the skills to move up to the next level, we promote them.”

For external recruitment the case studies suggest that recruiting from other firms is the most favoured method. This would appear to be in accordance with the view that the skills required are most effectively developed in post. The preference for experience is more pronounced for more responsible positions.

This situation is exemplified by the response given by *case study M1* that noted; “It depends on what level. At higher level it will be from other employment, but we have taken on graduates. At the moment everyone we have taken on the market research side is from other employment”.

*Case study M11* exclusively recruits graduates at the entry level, and only provides training to the best entrants who became trainee researchers rather than executive assistants. The junior position of research assistant is filled solely by students on the year out of a relevant sandwich course. *Case study M11* meanwhile noted a preference to recruit people who have just completed higher degrees, “partly because they have more advanced research method skills and partly because of their increased presence in the labour market”.

Within the preference for recruitment from other companies, there is a preference to recruit from other market research companies. Other preferred routes include statistical or methodological backgrounds and publishing.

## 5.7 **Entry level and professional body qualifications**

The level of qualification that employers demand upon entry varied across the case studies.

Around half of the case studies expressly noted that they required degrees with only one wanting a higher degree. Where degrees were required there was discretion as to which subjects were considered to be the most appropriate. Overall, however social sciences subjects appeared to be the most commonly preferred subject areas. Employers stated that that expected entrants to have a minimum of a lower second with most respondents noting they would ideally like individuals to possess an upper second or a first. Where a degree was not a prerequisite entry requirement, it was nevertheless usual for the employees filling the posts to be graduates.

Employees noted that the academic entry requirements for market research appeared to be rising with market researchers increasingly expecting new entrants to have higher degrees in an appropriate subject area e.g. research methods. This was particularly evident in the larger market research firms who could, due to their reputation, afford to be choosy when recruiting new entrants.

Despite this trend employers noted they considered industry experience to be more valuable in equipping people with the appropriate skills they require to undertake the job role. In effect academic qualifications are being used as a proxy to determine technical competence. However, in-post experience is vital in order to ensure that market researchers can apply and hone the theory in practice. As *case study M8* noted, “most people tend to be university graduates but the most important thing is the level of experience in the job.” *Case study M5* further illustrated this viewpoint; “Most entrants by default would have a degree rather than specifically need a degree. But it is more about experience. If someone

came and said they hadn't got a degree but they'd got six years' relevant experience I would see them and if I thought they were right and fitted the job that we were filling then fine. It's as much their experience and their personality and their drive and motivation as it is a degree."

The evidence suggests that the career prospects of people with and without a degree differ. For example *case study M6* reported that "we take graduate trainees on, but we also have assistant research executives which is a longer training period and we wouldn't expect them to progress to the same level as the people who we have taken on the graduate training programme."

The attributes sought in staff entering the occupation include technical skills such as an affinity with mathematical techniques and basic research skills. Most of the skills and attributes required, however, are softer, more generic skills, such as the ability to work in a team (*case study M1*). *Case study M2* provided an overview of the required skill-set noting; "on the research side they need to have evidence of intelligence and achievement as demonstrated by their degree. They need to have good personal skills, they've got to deal with clients and they've got to deal with teams, foreign languages are always an advantage". This was a view echoed by *case study M3* which noted; 'all we look for is somebody who is fairly intelligent can converse with clients and is literate and numerate.'

The Market Research Society is the principal professional body operating in the market research field. It offers a range of training routes, from conferences to short courses and diploma and certificate courses.

Opinions regarding the role of The Market Research Society were mixed. Whilst some companies actively encourage all staff to take their courses, others do not afford the society much credibility. For example, *Case study M11* argued that the MRS qualifications were not highly regarded by the firm. The firm was a corporate member of MRS but staff were not encouraged to be individual members and the firm would not pay their subscription. This firm only recruited graduates and carried out training in-house and did not consider the qualifications offered to add anything to the degree already held by the employee.

The MRS has recognised that its courses were not popular because they were not in-line with the needs of the industry and therefore the courses were revamped and re-launched in October 2000. There was a sense amongst employers that the services offered by the MRS have however been improving in recent years. The courses run by the MRS include a large number of short courses targeting a particular aspect of the industry, However, these courses are not well attended by the members of MRS with only a very small proportion of members making use of the courses on offer.

Of those who use the MRS route the reaction was positive, *case study M10* commenting on their 'very good training department'. Endorsement was also given by *case study M9*, which stated "the MRS is the dominant source of training

... in terms of the diploma ... it's critical to ensure there is a benchmark qualification for people in the industry." The reaction of *case study M8* was more muted stating in reference to the MRS certificate, 'it doesn't have huge cachet in the industry, but nonetheless it is a way of formalising our training and giving graduates an end target to go for'.

## 5.8 Training and employee development

Training of various types was common across the case-studies. Much of the training is conducted in-house and does not lead to any formal qualifications. This training included induction courses for new joiners (*case-studies M3, M10, M11*) and a variety of internal measures for training, including the use of videos made on site (*case study M1*) and identifying training needs through an appraisal process on a periodic basis (*case-studies M2, M10*).

Short training courses cover issues such as training in statistical techniques (*case studies M1, M2, M3*), IT skills (*case-studies M2, M4, M10*) and presentation skills (*case studies M4, M10*). These courses tend not to be run in-house even where, as in the case of case study *M6*, there is a comprehensive internal training programme.

Where the courses are for more technical training requirements, provision is exclusively external. Of the ten case studies, seven have made use of the MRS programme, with *case-studies M6, M7, M10* actively encouraging staff who have not already completed it to enrol. The MRS programmes lead to recognised qualifications, however other courses do not, *case study M8* noting 'that is the problem with qualitative research, it doesn't actually have that status, there isn't a professional qualification', and *M3* stating that training is primarily for the 'enhancement of their knowledge' rather than for qualifications.

Two of the ten case-studies do not offer formal training, preferring to rely on in-post experience, *case study M8* feeling that "learning on the job ... is the best training you can have", and *case study M5* looking to recreate their own training experiences; "when I look back on my training it was 98 per cent on the job."

### 5.8.1 The foundation degree and skills development

The Market Research Society felt that the foundation degree may be able to link up with their certificate, and that they may be well received by the agencies if they open up access to the research executive grade, although they may be more applicable to those entering the occupation as research assistants

The concept of foundation degrees was not enthusiastically received amongst the employers participating in the study. The types of skill shortages amongst applicants included poor written communication skills (*case studies M2, M10*), low levels of numeracy (*case study M6, M8*) and insufficiently developed understanding of research method and technique (*case studies M4, M7*). A more general criticism found in the market research industry was made by *case study*

*M2* who noted; “we often get people turning up for jobs in a market research agency who don’t seem to have thought very much about what market research is, what contribution it makes to business and why customers might want to use a market research agency.” The lack of business awareness in younger recruits was also commented on by *case study M4* who suggested that; “at the junior level it’s the kind of things you’d probably get through age and experience in terms of commercial awareness, maturity and dealing with clients.” Three of the firms felt that applicants did not have any skill, abilities or attribute deficiencies.

(*Case study M11*) was not enthusiastic about foundation degrees arguing that since they were recruiting people with upper second degrees and then training them for six months, the graduates they were recruiting were not over-skilled. A need for foundation degrees was not identified since degrees were already providing good staff, and there are dedicated degree courses available already.

*Case study M4* cautiously welcomed the foundation degree, although it was concerned that “if we recruit people with statistical backgrounds then they’re less likely to be interested or qualified to do the general research roles because they’d be too methodology orientated.” The point being that delivering the correct range of skills for such a varied occupation throws up difficulties. The main criticism of applicants rested on numeracy and literacy rather than more technical skills.

## 5.9 **‘Typical’ career paths of market researchers**

Market research employees tend to stay with companies between 2 to 5 years. Employee turnover appeared to be at its highest amongst younger people i.e. those people under 25. Although turnover is relatively high, staff tend to stay in the industry, although there is some movement between the sectors, so that mobility exists between agencies and client companies in both directions, although most commonly from agency to client company. Moving to gain career progression is the usual cause of leaving employers; this was cited by *case studies M1, M3, M4, M5, M10, M11*. Other reasons included pregnancy, leaving due to a partner taking work in another location, and a move into self-employment.

Career progression in the industry follows the general pattern of research executive to senior executive to assistant director to the board. However by the time that staff reach the level of assistant director they will usually have moved from a pure marketing role into a sales and business development role. The size of the firm was a key determinant, since the presence of a propriety director is a barrier to progressing beyond a certain point. *Case study M8* elaborates this point; “there’s also a level where people hit associate director where in a small company there’s nowhere for them to go. We actually did create what we believed was scope for progression by creating a different level, a new level of management and promoting associate directors to research directors, but then they all left! So in theory it was done for that purpose but in practice it didn’t provide that career progression at all.” Conversely, *case study M7* argues “progression is, to some

extent, unlimited if they have the ability and add value to the company, so theoretically the ceiling is at board level.”

The skills needed for career progression are those associated with successful account management, in particular client managing skills (*case studies M1, M2, M6, M7*) and project management skills (*case studies M1, M2, M3, M7, M8*). The other requirement for progression is having been successful, case study *M10* stating that the skills needed for progression are “success, measured in terms of being able to look after accounts successfully, generate new business, being able to manage people effectively and being generally well-liked.” The alternative measures of success being defined by *case study M5* being to ‘deliver the goods in terms of work targets and profit margins, it doesn’t just come by years of service’.

## 6 **Case study 5: estate agents - 3544**

### 6.1 **Introduction**

Estate Agents are situated in the Sales and Related Associate Professionals Minor Group (354), and share a code with auctioneers (3543). According to the SOC 2000 estate agents are defined as those who “arrange for the valuation, sale, purchase, rental and leasing of property on behalf of clients” (ONS, 2000, 145).

The main tasks of the job comprise; “discussing client requirements and advising clients on the purchase of property and land for investment and other purposes, conducting and arranging structural surveys of properties and undertaking any necessary valuations of property or agricultural land, advising vendors and purchasers on market prices of property and accompanying clients to view properties, marketing the property on behalf of the vendor, preparing written information and press advertisements, negotiating land or property purchases, sales, leases or tenancy agreements and arranging legal formalities with solicitors, building societies and other parties” (ONS, 2000). The remainder of this chapter explores the changing job roles, qualifications and career histories of people employed within estate agency roles.

### 6.2 **Contextual information – key characteristics of the case studies**

Estate agency is split between the high street ‘residential’ estate agents that sell and lease houses to the general public and the ‘commercial’ sector, which buys, sells and leases land and property to the business and public sectors. Whilst both facets are actively involved in estate agency, the two sectors differ significantly, both in terms of the profile of their staff and in the work that they do beyond the core of sales and lettings.

The case studies shown in Table 16 comprise ten ‘residential’ firms and two ‘commercial’ firms. The reason for this split is the fact that it is the ‘residential’ sector that is the major employer of estate agents in associate professionals positions. Employees working in commercial residency tend to have professional qualifications and are more likely to be in the process of, or have gained Chartered Surveyor status.

Table 16: The Case Study Firms

Identifier	Main Product	No. of Employees	% Estate Agents	Employee Growth	Reason for Change
E1	Estate Agency	3	0	No Change	n/a
E2	House Selling	2	0	No Change	n/a
E3	Estate Agency	400	58	No Change	n/a
E4	Estate Agency	4	0	Increase	Switch to part-time staff
E5	Estate Agency	138	67	Decrease	Consolidation in marketplace
E6	Estate Agency	2	50	Increase	New business
E7	Estate Agency	1,300	65	Increase	Fluctuation around norm
E8	Estate Agency	7	0	Increase	Expansion
E9	Estate Agency	8,000	44	No Change	n/a
E10	Estate Agency	15	33	No Change	n/a
E11	Chartered Surveyors	Not known	25	Static	n/a
E12	Chartered Surveyors	25 in Birmingham Office	40	Growth	Opening new offices

Source: KPMG, 2001

The case studies cover a range of firm sizes. This reflects the make up of the estate agency sector in the UK. The vast majority of estate agencies are very small, micro businesses with less than five branches. The estate agency industry experienced significant retrenchment during the 1990s recession when the housing market collapsed. During this period many estate agency businesses shed labour in order to cut costs or simply went out of business.

As a general trend, larger firms have a higher proportion of estate agents, with firms with over 100 employees having more than 40 per cent of their employees employed as estate agents. Some of the smaller firms noted that they did not consider they employed any associate professionals as they typically only employed an administrator and proprietor. However, clearly these individuals do undertake an estate agency role.

On the whole the case study firms experienced negligible employment growth. Indeed, the majority of firms had retained the same number of employees during the past five years.



### 6.3 The nature of demand for estate agents

The future demand for estate agents is not forecast to increase (see Table 17). Of the 10 residential firms 7 expected the number to remain the same, while 3 forecast decrease due to a deterioration of the market (*case-studies E6 & E7*) and consolidation in the industry (*case study E5*). *Case study E7* suggested the numbers employed may fall due to technological advances such as selling over the Internet.

Table 17: The Changing Nature of Demand for Estate Agents

Identifier	Main Product	Demand for Estate Agents	Reason for Change	Future Demand
E1	Estate Agency	Static	n/a	Remain Static
E2	House Selling	Static	n/a	Remain Static
E3	Estate Agency	Static	n/a	Remain Static
E4	Estate Agency	Static	n/a	Remain Static
E5	Estate Agency	Dramatic Reduction	consolidation in marketplace	Reduction due to further industry consolidation
E6	Estate Agency	Increase	New Company	Decrease as market deteriorates
E7	Estate Agency	Static	n/a	Decrease due to technology advances
E8	Estate Agency	Small Increase	Business Growth	Remain Static
E9	Estate Agency	Decrease	Reduction in the Network	Remain Static
E10	Estate Agency	Increase	Part-time worker made permanent	Remain Static
E11	Chartered Surveyors	Static	n/a	Remain Static
E12	Chartered Surveyors	Increase	Opening new locations	Increase as new offices open

Source: KPMG, 2001

### 6.4 The job tasks of estate agents

The key tasks for estate agents are customer handling and sales orientated. Essentially, estate agents:

- Take instructions from vendors wishing to sell their property. Value the property. Liaise with potential viewers of the property. Show potential buyers the property.
- Market the houses offered for sale both to potential clients and through newspaper and on-line media.
- Deal with all matters associated with sale and leasing of property.
- Manage the client relationship between buyer and seller and their appointed professionals e.g. solicitors, surveyors etc.
- Negotiate the price achieved for the property, manage the property chain.
- Undertake administrative work relating to the sale and purchase of property.
- Negotiate fees.

*Case study E10* summarised these key tasks as, “dealing with people when they come in or when they write in wanting accommodation, obviously showing them what we’ve got and letting it to their best ability.” *Case study E3* meanwhile defined the roles as ‘taking applicants to see houses, to sell the houses. It’s a sales role, matching people with the right houses. People come in and say what house they’re after and we try to find them that house’.

#### 6.4.1 **The extent to which the job tasks undertaken by estate agents have changed**

Employers reported that the tasks undertaken by estate agents have not fundamentally changed. This view was shown clearly by *case study E5* which noted, “The core of the job hasn’t changed at all in decades, but there have been other influences like IT that have an impact on some of the processing of that job role”.

Any changes to the job tasks evident were mainly related to the medium through which estate agents market their business and property portfolio e.g. by using on-line advertising. Two of the respondents noted changes in the importance of IT (*case-studies E2 & E5*) respectively noting the use of the Internet for sales and the use of office computer applications. Other changes were an increase of the importance of customer care (*case study E7*) and the introduction of new products, particularly financial products (*case study E9*).

### 6.5 **Skills and attributes of estate agents**

The heterogeneous nature of the job tasks associated with estate agents is reflected in the wide range of skills and attributes needed in order to perform the different roles of estate agency from negotiator, administrator and property valuer. There is a requirement for a mixture of technical and generic skills, although the proportions vary across the occupation. These skills are listed in Table 18 below. On the whole, generic and personal attributes associated with the selling process

are the principal skills required by estate agents. Estate agents require very few and low levels of technical skills.

Table 18: Skills, abilities and attributes required for estate agency

Technical Skills	Generic Skills	Personal Attributes
Property related selling skills	Accuracy	Interpersonal skills
Familiarity with house sale process	Creative thinking	Confidence
Valuation skills	Customer handling	Determination/Tenacity
	Negotiation skills (basic)	
	Numeracy	
	Sales skills (basic)	
	Written Skills	
	Computer literacy	

Source: KPMG, 2001

Confidence in, and an ability to deal with the public are the key skills needed by an estate agent. This was especially important in high street agencies where “the largest part of the job is actually communicating with the customer” (*Case Study E7*).

*Case study E5* meanwhile argued that the need for “interpersonal skills, interpersonal communication skills and elements of creativity and lateral thinking” were the most important skills going on to suggest “the very best estate agents are those who can create a whole series of links and look beyond the obvious”.

The key attributes needed by the industry are therefore communication, an ability to close a sale and the ability to handle customers and provide excellent customer service. The emphasis on sales and communication was echoed by *case study E9* that noted “The key attribute is to be an inherent sales person. Good people skills. Those are the key ones.”

Selling was considered of secondary importance to communication with employers believing that they can ‘teach’ people selling skills. *Case study E2* noted “selling skills can be developed but they need to be quite confident” instead arguing that the “first and foremost is excellent communication skills.”

This sentiment was echoed by *case study E3*; “they don’t necessarily have to have a sales background, if we think they’ve got an aptitude when they’re interviewed we’ll take them on”. Conversely, *case study E2* prioritised experience arguing that “you need to have a fair level of experience to go into estate agency ... you have to know the workings of going through a sale or house purchase; that’s dealing with solicitors, surveyors and so on”. Other skills identified were computer literacy (*case study E1*), having the determination to succeed (*case study E3*) and being “methodical and well-organised” (*case study E10*).

### 6.5.1 **Extent to which these skills and attributes have changed over time**

The broad consensus was that there have been few changes in the skill requirements of the job; where changes have occurred these are more likely to be the addition of generic skills rather than supplementary technical skills.

IT skills have become increasingly important for estate agents both in administering and marketing the business. This is shown by *case study E5* which noted that firms “may use technology now ... but by and large it’s the creative mindset that makes a good agent obviously computers have changed the job. It used to be more time consuming, a literary job of writing up reports and of writing up cards and other bits and pieces. It’s changed to being a computer software base and that’s improved the timescale factor.”

Any technical changes appear largely as the result of changes in the legislation. As case study E3 noted, “the only major change that has taken place is the advent of the Property Misdescriptions Act [of 1991] which has made it a legal requirement to follow the correct procedure in dealing with purchasers and vendors. But for the majority of independent estate agents it is the way that we have always worked anyway.”

### 6.5.2 **Skill development strategies**

Employers considered in-post experience to be the most effective way of developing the pre-requisite skills required to undertake the residential estate agency role effectively. In-house training is used to ensure that these skills are enhanced. As case study E2 noted; “the only way you can work out how to adapt your communication style to the needs of the customer is by undertaking the job and dealing with the customers”. Where training is given it is complemented by experience of doing the job; “vocational training is very important and it’s fairly legally technical as well, but on the job training, doing the job, is critical.”

In many cases in-post experience is supplemented by other forms of skills development, as illustrated by *case study E9*; “we don’t stipulate high academic grades. This is a social industry and we look for people with social skills, communication skills that we can develop. So the majority of skills that they do develop on the job with in-house training and occasional external training. But it’s mainly experience and being coached by somebody who knows what they are doing”.

## 6.6 **Recruitment strategies and entry requirements**

There is a distinct difference between the ‘residential’ and ‘commercial’ sector in the attitude to qualifications, with the commercial agents more commonly being educated to degree level.

The difference between the sectors was brought out by *case study E10*, residential estate agency that stated that “you don’t have to have any qualifications to be a

letting agent and there are not many qualifications that they can have. There's ARLA 2000 or there is chartership of the RICS. We would not expect them to have a degree, it's not a requirement".

This contrasts with *case study E11* a commercial agency where entry to the junior positions was only open to those who had achieved an upper second in their degrees, although 50 per cent of recruits had not taken degrees in surveying related subjects. Additionally on joining the firm, there is a requirement that individuals gain their professional status through acquiring the Royal Institute of Chartered Surveyors APC (assessment of professional competence).

Employers of residential agents are not normally looking for entrants to possess qualifications and usually do not specify specific minimum requirements. There was however some evidence that employers require a good level of secondary education and a demonstrated competency in English and Mathematics. *Case study M5* stated that estate agency "is an industry where academic qualifications are not the main criterion of acceptability. I would say we would be looking ideally for A level standard but would compromise on that to GCSE standard providing there was some reasonable relevant experience." *Case study E1* summarised the prevailing attitude of that sector; "I don't expect them to have that much, I look at the person overall ... social skills are paramount."

In residential letting, the recruits all need to display strong social skills. Experience may be preferred for recruits (*case study E5*), however the absence of educational requirements emphasises the importance of personal skills and attitude. *Case study E3* illustrates this, stating "they've got to show a willingness to work because estate agents do long hours and it's a 7 day a week job. They don't work seven days but they will be required to work weekends. So a willingness to actually put the hours in." The personal skills required include sales ability and having the ability to deal confidently with the public.

## 6.7 Training and employee development

All firms in the residential sector have some kind of induction process, however CPD and training beyond this level is not common. Familiarisation with the legal aspects of estate agency through the Estate Agents Act and the Property Misdescriptions Act is typically covered during the induction process.

Much of the training provided to estate agents is informal and provided in-post. This training is delivered to estate agents through either them watching the more senior staff or shadowing them during their first few days. The extent of this training is very limited and estate agents typically learn on the job through the experience they acquire.

The training offered by *case study E9* is typical of that offered to estate agents by large firms in that "it falls into two areas. We have a structured training programme. All new employees go on a one day company awareness day, which

introduces them to the organisation in the broader sense. So far as the training on the specificities of the business is concerned, we rely on a combination of distance learning material, distance learning training modules that cover the basic introduction to the law that they're required to work within in estate agency ... That is supplemented by a one day legal training course that we run for all new recruits and also a refresher for people who are moving by internal promotion to a different role where their understanding of the legislation changes. We also run sales training courses for each of the specific job functions that we run”.

The training strategy employed by smaller operators is summed up by *case study E10* “we induct people into our systems, we’ve a training manual in the way the office works, but it’s individual training really. They’ve got to pick it up with people who spend a lot of time with them”.

In the majority of cases the training in residential agency does not lead to qualifications of any description. Where qualifications are attained through the training these include membership of the National Association of Estate Agents (*case study E2*), NVQ qualifications level 2 and 3 (*case study E7*) and ARLA 2000 recognition (*case study M10*). In commercial agency, membership of RICS was usual, although it was not essential and nearly all staff had either degrees or postgraduate diplomas in property related subjects (*case studies E11 & E12*). In commercial agency it is a requirement of RICS that a certain level of Continuing Professional Development be maintained each year.

There are very varied responses to the role of professional bodies. Most of the case studies had dealings with the National Association of Estate Agents (NAEA), however the consensus was that its role in career development was limited, being more a body, which disseminated relevant information on best practice. The NAEA received mixed responses, *case study E5* assessed their qualification route as “relatively straight forward and undemanding” consequently assessing their role in training as a “relatively minor one”. On the other hand, *case study E6* felt the NAEA played “an important role in trying to show employers that higher standards can be attained through training and through codes of conduct”. Two of the ten residential estate agents felt there was no role played by professional bodies in the career development of employees.

#### 6.7.1 **The foundation degree and skill development**

Amongst residential agents the concept of foundation degrees for estate agents received a mixed reaction. The case study firms tended to feel that training on the job was the most important part, and that in the case of school leavers “learning by doing” was the most appropriate way of honing the relevant social skills and sales ability. The emphasis on staff selection being very much focused on interpersonal skills and the ability to sell rather than the technical issues of valuing and surveying.

Where foundation degrees were more warmly received it was on the assumption that completing the course would enable people to feel confident in the knowledge that “they can communicate and communicate at a certain level, then that’s going to stand them in great standing with future employers” (*case study E1*). In terms of more concrete syllabus there was an interest expressed in business communication (*case study E7*) and estates law (*case study E9*).

In commercial agencies, the demand for foundation degrees is likely to be muted due to the necessity of having a degree accredited by RICS in order to gain full membership, with 90 per cent of new recruits to *case study E11* having full professional status.

## 6.8 ‘Typical’ career paths of estate agents

Turnover for estate agents varies between branches and depending on the level of seniority. Turnover amongst the more junior estate agent roles was relatively high.

*Case study E9* estimates the annual turnover for the whole industry in the UK to be about 30 per cent. The figures reported for the case study firms range from 18 months (*case study E3*) to seven years (*case study E1*). Other job tenures range from one year to twenty years (*case study E7*) and six months to twenty-five years (*case study E9*), illustrating this variability.

The promotion prospects are variable by firm size. In small firms it may be necessary to move companies in order to progress, whilst in larger firms the sequence would be from agent to branch manager. In the case of *case study E3* “the progression is from negotiator to an appraisal manager and then it goes on to branch manager. It depends on the agent, how good they are, whether they’ve got the aptitude. Some people will really want to be promoted, some are quite happy to be negotiators. If they are good negotiators they would be in line for promotion and most of them do take it, it’s the next move up and they want to take it. It depends on what the turnover is in the branch as to whether there are any vacancies”. In smaller firms the typical situation is that “there isn’t any career progression because the two partners do the managing and negotiating (*case study E4*). In larger firms it will take at least three to four years to become a manager (*case study E6*). The main skill that would be needed to move from pure agency to management are management skills (*case study E3, E4*). These skills may be developed after promotion through attending courses.

On leaving companies it was estimated that 50 per cent go on to similar jobs in the same industry. Those that leave the industry tend to do so because they do not like the sales element of the job role. As *case study E7* noted “they seem to go more into administrative roles than sales roles. I think they have decided that the sales environment is not suited to them. They can’t always tell that when they come on board – they need to work it out for themselves”.