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A Introduction

This paper is a review of work published by the LSDA, and its predecessor organisation FEDA, on employer engagement between 1999 and the present.

The review highlights work by the LSDA on the development and implementation of policy and practice on employer engagement from within a wider body of work on aspects of vocational learning and skills provision. By publishing the review, the LSDA aims to enhance the understanding of policy developers and practitioners within the learning and skills (LSC) sector about employer engagement.

It offers:

- a summary of recent thinking by the LSDA about the development of policy and practice on employer engagement
- an overview of the main messages from LSDA literature
- a summary of proposals for effective practice and on the future development of employer engagement recommended within the literature
- a list of references for the publications to which the review refers.

The review is designed to inform a programme of work which is being conducted by the LSDA in 2005 on:

- employers' views on employer engagement (SR691), which is considering effective practice in employer engagement from the perspective of employers, including an appraisal of what constitutes effective practice in their engagement with providers
- responding to the needs of employers and employees (SR690), which is examining what responsiveness to the needs of employers and the workforce entails – generally, and in relation to four occupational sectors, construction, IT, engineering and new media.

The review has been designed so that individual sections may be read independently of other sections, should the reader so wish. This means that some messages may be repeated in more than one section.

B Summary of messages and issues from LSDA literature

- Until relatively recently, ‘employer engagement’ was interpreted as being mainly about a ‘customer–supplier’ relationship between learning providers and employers. However, government policy documents now discuss a wider range of ways in which employer engagement can contribute to improving business productivity and economic performance. As a result, a broader understanding and interpretation of what employer engagement means has developed.
- Employer engagement needs to be developed and understood in a more rounded fashion. It is about involving employers in the wider work of a college, and in the development and delivery of provision in ways that are mutually beneficial and suitable for the specific employer and the provider. There is no ‘one-size’ template which can fit all employers or providers, and nor should there be. All providers need to consider the most appropriate form of employer engagement in relation to their mission and in discussion with their LSC. In turn, each local LSC needs to ensure that there is appropriately responsive provision across its provider network.
- The LSDA has developed a typology of employer engagement which describes three key ways in which employers might work with learning providers:
 - employers as **stakeholders**, in which they provide leadership through their involvement in the design, development, management, delivery and assessment of learning
 - employers as **consumers**, in which they purchase diagnostic services and skills development from LSC-funded providers
 - employers as **strategic partners**, in which there is sustained interaction between employers and the planners and providers of learning.
- Conditions are needed which foster relationships between employers and providers that are mutually beneficial, flexible and responsive to the needs of each partner/stakeholder; and that are built on trust and open, two-way communication channels to which all parties are fully committed. We may also need a deeper and wider understanding of what makes employers collaborate before we can understand how to promote employers’ engagement with colleges.
- To develop a more mainstream approach to employer engagement, providers need to encourage staff throughout their organisations to understand the potential benefit of involving business and industry and to take individual responsibility for developing and sustaining relationships with employers.
- One way of doing this may be to consider changes to their mission and purpose. The extent of these changes will vary, but providers may wish to consider developing a mission that sees employers as customers, analogous to the approach taken with individual learners, and which promotes the development of an employer-related strand within staff development programmes.
- It is not yet possible to identify a specific package of measures which might bring about successful employer engagement. Partly, this is because interpretations of employer engagement are still developing, and most practice identified by the LSDA addresses more traditional concepts of employer engagement. It is also because the

way in which providers are likely to want to develop their approach to engaging employers will depend upon the particular focus of their work and the circumstances and interests of their learners and local employers. The LSC and learning providers may wish to bear this in mind as they develop activity in this area. Notwithstanding this, the LSDA is developing overarching, general principles for effective practice in its current and very recent work on developing the responsiveness of providers to the needs of particular industrial sectors. These principles include:

- the importance of creating an **identified point of contact** within the provider, with knowledge of each particular business
 - providing training that is **relevant to business needs**
 - delivering **cost-effective** provision
 - ensuring a **rapid response** to requests and queries
 - providing **regular updates** and feedback on the training and development of a firm's staff
 - **minimum disruption** to work patterns
 - **flexibility** of delivery, assessment and qualifications
 - **high quality** of both interaction with an employer and delivery of programmes
 - **simplifying** wherever possible any administrative processes which involve the employer.
- In small companies, the importance of context cannot be overestimated. Understanding the context in which small firms operate is a crucial factor in supporting better learning and performance within micro-businesses; for example, better support for informal learning may be as important as exhortations to take up more formal learning opportunities.
 - If collaboration with employers is to realise its full potential, providers need to think carefully about how they can create, and make use of, the widest range of employer-related activities within their organisations. The literature upon which this review is based has stressed the importance of encouraging teaching staff to see that working with employers can really help them and their students, giving staff the opportunities and confidence to develop links with local firms, and of resourcing such developments adequately.
 - Employer engagement needs careful consideration at policy level too. The current review of further education by Sir Andrew Foster gives the government and its stakeholders an important chance to develop a clearer understanding of employer engagement in the context of a first principles examination of the purpose of further education. The LSDA hopes that the review will explore how further education colleges might make employer engagement a central part of their work, while recognising that the focus, nature and scale of these activities will differ for colleges, according to their size, geographical location and learner and employer 'catchment' area.
 - While the policy framework to support employer engagement is now beginning to fall into place, some important issues remain to be addressed. Current policy initiatives on employer engagement focus primarily on making the 'supply-side', that is learning

providers, more responsive towards employers. Yet more may need to be done by government to persuade employers of the benefits of working with learning providers, perhaps by working through sector skills bodies and employer organisations. There may also be limits to the extent to which providers alone can directly encourage employers to work with them. Appeals for engagement may be more effective when mediated through employer and sector skills bodies and trade unions.

- Encouraging learning providers to ‘mainstream’ employer engagement within their organisations requires knowledge and confidence about how to do it. There may be an important role for the Centre for Excellence in Leadership (CEL) in developing the skills and competences associated with mainstreaming employer engagement. The review of further education by Sir Andrew Foster may help in defining these skills.
- Embedding employer engagement measures within the post-16 providers’ current round of three-year funding and development plans is a key step forward in raising the profile of employer engagement and in making it real. However, it is essential that definitions of ‘what counts’ as employer engagement under the targets are as wide as possible. To do otherwise could circumscribe the wide variety of activity already under way within the sector and act to curtail the natural development of relationships with employers.
- Moreover, funding arrangements to support employer engagement need to recognise that the early stages of building relationships with employers can be potentially resource-intensive, with little prospect of immediate commercial return. Funding risky and experimental activity is not a comfortable idea within public sector funding arrangements, but for every success there will be some failure, and funding arrangements need to be developed that accept this.
- Finally, we need more research into employer engagement which will allow us to understand how some of the less widespread collaborative employer activities and forms of relationships might become established more widely. While the customer–supplier relationship, where employers are purchasing learning provision, remains a key form of interaction for learning providers, there are other equally significant types of engagement. We now need to understand what it means to form strategic alliances with employers, or to support business development more broadly, and what needs to happen to be in place to support these important activities.

C The national policy context

Overview

Until relatively recently, ‘employer engagement’ has been interpreted as being mainly about a ‘customer–supplier’ relationship between learning providers and employers. However, government policy documents have begun to discuss a wider range of ways in which employer engagement can contribute to improving business productivity and economic performance. As a result, a broader understanding and interpretation of what employer engagement means has developed.

Introduction

Over the past five years, post-16 learning and skills policy has become increasingly concerned with the role of skills, learning and workforce development in securing improved economic productivity, and in defining more clearly the contribution that the post-16 learning and skills sector can make in helping people become more employable. This area of policy development has been described broadly as ‘the skills agenda’.

The government’s policies for vocational skills were set out initially in its Green Paper *The Learning Age* (1998).¹ In a chapter on learning at work, the government ascribed to employers, the self-employed and their employees, along with trade unions, a prime responsibility for improving learning in the workplace. Policy was refined and developed through the work of the National Skills Task Force in 1999² and was articulated most recently in the National Skills Strategy (2003).³

In 1999, the White Paper *Learning to Succeed* described the institutional and organisational arrangements through which vocational skills and learning provision would be funded and delivered. It set out arrangements through which business could engage with the (then) planned learning and skills councils so that employers would have the opportunity to influence the skills provision within their local labour force – the government’s side of the bargain in improving workforce skills.⁴

The Secretary of State’s address to the Association of Colleges conference in November 2000, *Colleges for Excellence and Innovation*, set out, for the first time since incorporation, a distinct role for colleges in supporting employers in skills development, describing, in particular, proposals for Centres for Vocational Excellence (CoVEs), which would have the delivery of skills and services needed for innovation and business productivity at their heart.⁵

More recently, in 2002, *Success for All* set out a reform strategy designed to improve the responsiveness and quality of post-16 provision, improve teaching and learning practice,

¹ *The Learning Age: A Renaissance for a New Britain*, Cm 3790, Department for Education and Employment (1998)

² Skills Task Force: first second and final reports, Department for Education and Employment (1999)

³ National Skills Strategy, Department for Education and Skills (2003)

⁴ *Learning to Succeed: A New Framework for Post-16 Learning*, Cm 4392, Department for Education and Employment (1999)

⁵ *Colleges for Excellence and Innovation: Statement by the Secretary of State for Education and Employment in the Future of Further Education in England*, Department for Education and Employment (2000)

develop staff working in the post-16 sector and create a policy and funding framework within which the sector could improve and flourish.⁶ Employer engagement contributes to the success of each of the objectives of *Success for All*.

The term 'employer engagement' was introduced within policy discourse on vocational skills relatively recently in the White Paper *Learning to Succeed*. Prior to the appearance of the term 'employer engagement', policy documents referred to employer–education links, support by providers for local businesses and the need for colleges and other providers to achieve 'openness' and 'responsiveness' to local businesses and the community. In particular, the term 'provider responsiveness' has been used frequently, and sometimes interchangeably, with employer engagement. Recently, the LSC has begun to use the term 'greater responsiveness to the needs of employers' in preference to 'employer engagement'.

The role of employers in vocational learning has tended to be viewed in terms of a fairly narrowly-defined 'customer–supplier' relationship, concerned with contributing towards the cost of provision and influencing the content of post-16 learning and skills programmes. While these roles are, and remain, important, a broader interpretation of 'employer engagement' has emerged, prompted by a number of developments within the current policy debate on vocational skills.

The National Skills Strategy analyses and conceptualises the relationships between national economic productivity, skills needed by business and industry, employers and skills providers. The analysis proposes that economic productivity is driven by the acquisition of skills and business innovation; employers can work with learning providers to achieve improvements in both. Importantly, the Skills Strategy argues for engagement in post-16 learning, and employers should see skills as being of benefit to their businesses; skills can help firms achieve their central aims of improved performance and profitability.

Improving responsiveness to employer and employee needs

Central to the rationale for policy on employer engagement is helping to ensure that vocational skills provision matches the needs of employers and employees; the view being that involving employers in discussions about skills needs helps inform the development of programmes offered by providers and thus ensures providers' 'responsiveness' to employers' skills needs. The Skills Strategy contains proposals for funding incentives to encourage the development of effective working relationships between employers and providers to help create more responsive provision. It also proposes making it easier for providers to tailor programmes to meet specific needs by improving the flexibility of the qualifications framework and enabling the unitisation of qualifications.

The role of the further education sector in skills development

The LSDA's response to the Skills Agenda argued that the further education sector's role in skills development to support economic competitiveness had been, to date, largely unexplored. It identified the need for 'a responsive delivery system that lays down the broad foundations of learning and also secures rapid and efficient updating to meet new demands.'⁷ Key dimensions of such a system would include:

⁶ *Success for All: Reforming Further Education and Training*, Department for Education and Skills (2002)

⁷ *The Skills Agenda: Issues for Post-16 Providers*, Hughes M and Mager C, LSDA (2000)

- developing new programmes to meet skills needs
- regular and systematic updating of the skills of teachers and trainers
- involving customers in shaping publicly-funded education and training.

Employer engagement is necessary to support each these activities. The implication of this, for the LSDA, is that engaging employers needs to be a central part of the FE sector's mission, rather than a marginal and optional activity.

Success for All articulates the government's vision of a modern further education sector and argues that a successful link between employers and providers and better employer engagement is essential to achieving the objectives of reform. *Success for All* describes a new post-16 planning system that encourages better responsiveness of providers to employers' skills needs and encourages colleges to develop their vocational expertise through industrial secondments for existing staff and through greater recruitment by providers of staff from industry. In doing so, *Success for All* helps extend policy interpretations of what employer engagement may mean and what it can help to achieve.

Thinking on the role of colleges in vocational skills delivery has been most explicit in the development of the Centres of Vocational Excellence (CoVEs). A key aim of the CoVE programme is to increase and strengthen active employer-provider engagement to underpin, develop and strengthen innovative and flexible approaches to meeting employers' current and future skills needs. It also seeks to give more people from all backgrounds access to high-quality vocational training and to spread good practice throughout the post-16 training sector.

16 FE pathfinder CoVEs were established in September 2001 with a commitment by government that half of all general FE colleges should have at least one CoVE by 2003/4. The CoVE programme was later extended to include other learning providers as well as colleges. Funding has now been made available to enable the development of 400 CoVEs by 2006 to meet national, regional and local skills priorities. By the first quarter of 2005, 309 CoVEs had been designated, some of these being in their fourth year of operation, and others at earlier stages of development.

Greater involvement of the Regional Development Agencies (RDAs) and sector skills councils (SSCs), as their capacity has grown, in agreeing and defining the needs that the CoVE network should address, has resulted in the skills messages becoming clearer and the relationship to employers and the economy more sharply focused.

The second skills White Paper⁸ gives an even stronger voice to the SSCs in defining the demand-led approach and in shaping the responsive offer that CoVEs must provide to ensure they deliver on the skills agenda. The recently announced Skills Academies, which are expected to be employer-led organisations setting the benchmark for vocational learning, are expected to work closely with CoVEs and other providers to increase the quality and relevance of the skills delivery system.

⁸ *Skills: getting on in business, getting on at work*, DfES, March 2005

D Overview of LSDA literature

Overview

This section provides a brief description of the types of literature discussed within this review. Footnotes provide full publication details for each document referred to.

Introduction

The publications referred to within this review have been written for a variety of purposes and intended audiences and so contain different types of information. Some strategic policy-oriented publications have been aimed at national policy-makers, whereas other practice-oriented publications have staff and managers of learning providers in mind.

Employer engagement and provider responsiveness is present as the main focus of some LSDA research, particularly in more recent work, but, more frequently, it has occurred as a supporting theme in work concerned primarily with enhancing the delivery of the vocational curriculum, skills development or improving collaboration between providers.

While the range of possible applications and interpretations of employer engagement is now acknowledged in more theoretical literature by the LSDA, more practical material concerned with identifying and developing good practice has tended to focus on the more traditional activities concerned with engaging employers in workforce development and work-based learning. This reflects the recent policy focus; it is likely that future work will explore practice and provide more detailed guidance on other aspects of employer engagement, such as developing employers' roles as strategic partners.

The literature reviewed falls into a number of different categories, with some falling into more than one of these categories:

Discussion and advice on policy development

Early work introduced the term 'employer engagement', and later work has sought to interpret the idea of employer engagement more fully, building on and drawing from research on related areas of skills development, partnership working and the implications of greater specialisation in the types of post-16 providers and the concept of the 'college for business'. This work includes:

- The New Learning Market (1999)⁹
- Understanding and Sustaining Employability (2000)¹⁰
- The Skills Agenda: Issues for Post-16 Providers (2000)
- Success for All: Reforming Further Education and Training: LSDA Response (2000)¹¹
- Developing the College for Business in Sussex (2003)¹²

⁹ The New Learning Market, edited by Mager C and Robinson, FEDA/IPPR (1999)

¹⁰ Understanding and Sustaining Employability: conference version, Hughes M and Stoner F, LSDA (2000)

¹¹ Success for All - Reforming Further Education and Training: response by LSDA, LSDA, (2002)

¹² A Basis for Skills: Developing the 'College for Business' in Sussex (Part of an LSDA collection) Hughes M and Stanton G, LSDA (2003)

- Successful engagement: Guidance for Colleges and Providers on Effective Employer Engagement in Post-16 Learning (2003)¹³
- Reviewing the Impact of Employer Engagement Targets (2004).¹⁴

Achieving excellence

Another body of work investigates the range of ways in which colleges can maintain responsive and high-quality vocational provision. A key theme is the way in which colleges can draw upon industry support and expertise in a variety of ways to help support excellence in their curriculum. These publications tend to report 'what works' rather than give detailed advice on how to implement such strategies. Work includes:

- Searching for Excellence in FE colleges (2001)¹⁵
- Working towards skills (2002)¹⁶
- From competence to excellence (2003)¹⁷
- A cut above (2004).¹⁸

Effective practice in aspects of employer engagement

Proposals for improving and extending links with employers can be found in work concerned with improving the vocational curriculum, developing partnerships with employers and other organisations, and improving work-based learning. Work includes:

- Getting Employers Involved (2001)¹⁹
- Successful Engagement (2003)
- Pushing Back The Boundaries (2004)²⁰
- Developing Responsiveness in Vocational Education and Training (2001)²¹
- Matching Skill Needs to Training Provision in the Electrotechnical Industry; Project Final Report (2002)²²
- Partnerships For Skills: Investing in Training for the 21st Century (2000)²³
- How Colleges are Working with Small Businesses (LSDA)²⁴
- How to Work with Micro-Businesses (2001)²⁵
- Encouraging Higher Recruitment to Technician Engineering Training (2001).²⁶

¹³ Successful Engagement: Guidance for College and Providers on Effective Employment in Post-16 learning, Hughes M, LSDA (2003)

¹⁴ Reviewing the Impact of Employer Engagement Targets, Hughes M, LSDA (2004)

¹⁵ Searching for Excellence in FE colleges, Hughes M, Smeaton B, LSDA (2001)

¹⁶ Working Towards Skills, Hughes M, Keddie V, Webb P, Corney M (2002)

¹⁷ From Competence to Excellence: Developing Excellence in Vocational Skills, Smeaton B, Hughes M, Hall G, LSDA (2002)

¹⁸ A Cut Above, Hughes M, Smeaton B, Hall G, LSDA (2004)

¹⁹ Getting Employers Involved: Improving Work-Based Learning Through Employer Links, Taylor S, LSDA (2001)

²⁰ Pushing Back the Boundaries: Working with Employers and Other Partners, Smith V, Support for Success Quality Improvement Programme, LSDA/LSC (2004)

²¹ Developing Responsiveness in Vocational Education and Training, Hughes M, McPherson S, LSDA (2001)

²² Matching Skill Needs to Training Provision in the Electrotechnical Industry: Project Final Report, Weiss C, LSDA (2002)

²³ Partnerships for Skills: Investing in Training for the 21st Century, Hughes M, Cottam S, LSDA (2000)

²⁴ How Colleges are Working with Small Businesses, LSDA (2000)

²⁵ How to Work with Microbusinesses, LSDA (2001)

Evaluations of activity relating to employer engagement

Recently, the LSDA has produced a guide for providers, commissioned by the DfES and LSC, on achieving effective employer engagement. The guide gives examples of how colleges and providers might respond to the needs of employers and their employees and suggests how to extend this practice in relation to the headline improvement targets for employer engagement proposed in *Success for All*. The LSDA has also undertaken a review of the early impact of employer engagement targets. Work includes:

- Successful Engagement: Guidance for Colleges and Providers on Effective Employment in Post-16 Learning (2003)²⁷
- Reviewing the Impact of Employer Engagement Targets (2004).²⁸

²⁶ Encouraging Higher Recruitment to Technician Engineering Training, Shirley T, Weiss C, LSDA (2001)

²⁷ Successful Engagement: Guidance for Colleges for Providers on Effective Employment in Post-16 Learning, Hughes M, LSDA (2003)

²⁸ Reviewing the Impact of Employer Engagement Targets, Hughes M, LSDA (2004)

