>lsc

Leading learning and skills

Recruitment and Training Among Large National Employers

Final Report

January 2008

ⓘ For information

Contents

Executive Summary

This report presents the results of a survey of 201 large national employers, including 60 member companies of the National Employer Service (NES), and follow-up case study research. The research was undertaken by the Institute for Employment Studies (IES) and IFF Research on behalf of the Learning and Skills Council (LSC).

Key Findings

- Nearly half of the employers (45 per cent) prioritised motivation and/or a good attitude among applicants to their largest occupational group.

- However, this was much more likely to be found among those whose main occupational group required Level 2 qualifications or below (56 per cent) than among those whose main occupational group tended to be at Level 4 (20 per cent).

- Some 39 per cent of employers whose main occupational group tended to require Level 4 qualifications prioritised specific and/or technical skills among applicants, compared with just 8 per cent of those whose main occupational group was at Level 2 or below.

- Overall, qualifications were perceived as a good proxy for the skills required from the largest occupational group (60 per cent of employers agreed, while 17 per cent disagreed).

- However, there was a clear distinction between occupations usually requiring Level 4 qualifications (81 per cent) and those that usually required Level 2 qualifications or below (55 per cent). The skills less well picked up by qualifications were thought to be generic skills such as communication and teamwork.

- Opinion was divided on whether most of the externally accredited training on offer was about recognising and/or certificating existing skills rather than developing new ones (42 per cent agreed, while 35 per cent disagreed).

- Around one-half of the companies (48 per cent) had estimated the impact of the training provided to their largest occupational group.

- The most commonly identified benefits were improved productivity (mentioned by 89 per cent), improved employee commitment and involvement in the organisation (88 per cent), and improved employee morale (88 per cent).

- Most felt that in-house training was generally better than public sector-funded training, for a mixture of positive and negative reasons. However, some felt public sector-funded training was especially good for specific areas (for example, Apprenticeships, IT training) and, where preferred, this was because it offered nationally recognised qualifications.

- By a 'demand-led' approach to training, employers understood: more focus on employer and employee needs; improved customer focus from training

providers; and more accountability among employers for the quality of training (through the accreditation of training programmes designed in-house).

- The main ways that public sector-funded training could be more closely tailored to company needs were more bespoke provision, more flexible funding and reduced bureaucracy.

Background and Methodology

The vast majority of employers are small and medium-sized enterprises (SMEs), with just 1 per cent of employers with 250 or more staff. Employers with more than 5,000 staff comprise less than 0.1 per cent of all employers. However, they employ around one-third of the total workforce in England. The LSC already contracts centrally with very large (usually multi-site) employers to fund training, through the NES. Lord Leitch's report (*Prosperity for all in the global economy – world class skills*, published by HM Treasury in December 2006) recommended that the NES be expanded to provide a more effective advisory and brokerage service for large employers in relation to the Train to Gain programme. In view of these commitments, the main aim of this research is to inform the LSC's understanding of large national employers' attitudes and practices in terms of recruitment and training.

The research was based on a two-stage methodology:

- **Stage 1** involved a semi-structured telephone survey of 201 senior-level human resource, workforce development or similar respondents from very large national companies. The survey was undertaken at head office level. Sixty interviewees were from NES member companies and 141 were from non-member companies.

- **Stage 2** consisted of four case studies undertaken among employers who had participated in the survey. These case studies explored in more depth the extent to which organisational workforce planning and development strategies are 'joined up' and how recruitment and training policies were developed and implemented across the organisation.

Organisational Contexts

The majority (90 per cent) of the large companies surveyed were operating in services as opposed to manufacturing. Most were solely or mainly based in the UK (70 per cent) and were UK owned (65 per cent). Around two-thirds (63 per cent) employed more than 5,000 people in the UK with the remainder employing between 1,000 and 5,000. The majority described themselves as offering a wide range of products or services, as leading the way in terms of developing new products or services, and as offering a high or premium quality product or service.

When it came to identifying their largest occupational group, one-third of companies identified sales and customer service staff (31 per cent), followed by professionals (14 per cent) and elementary occupations (12 per cent). There were some clear distinctions between NES and non-NES member companies, with the

former more likely to identify skilled trades and personal services as their main occupation, while the latter were more likely to identify professional occupations. This partly reflects the nature of the NES, as skilled trades and personal service occupations are both areas where Apprenticeships or other accredited qualifications are required to do the job.

Recruitment and Retention

Most employers (69 per cent) gave equal preference to external and internal applicants for their largest occupational group. Almost all of them looked for good motivation and attitude among applicants and almost half (45 per cent) prioritised this over everything else, although this was much more likely among those whose main occupation usually required Level 2 qualifications or below (56 per cent compared with 20 per cent of those whose main occupation was at Level 4).

While qualifications were important for some (47 per cent), just one in ten said this was the main attribute on their list (11 per cent), compared with one in five (19 per cent) who prioritised specific and/or technical skills. Giving priority to specific and/or technical skills was more likely for higher-level occupations (39 per cent) than for lower-level ones (8 per cent).

The majority (60 per cent) of employers agreed that qualifications were a good indicator of the skills they required of their main occupational group; more so among those whose main occupational group usually required Level 4 qualifications (81 per cent) compared with those requiring Level 2 or below (55 per cent). Employers generally felt that recruiting staff with a certain level of qualifications was a good starting point and signified that staff had a positive commitment to learning though not necessarily all the requisite skills for the job. The skills thought to be less well picked up by qualifications were mainly 'soft' skills, such as communication and teamwork.

Some employers felt they did not have a choice about whether to recruit ready-skilled staff or train in-house, because of what they perceived as a lack of ready-skilled applicants in the UK. A significant minority (43 per cent) had actively recruited staff from overseas, with the main reason being that they felt there were not enough staff with the right level or type of skills in the UK labour market. The most commonly mentioned jobs recruited from abroad were for qualified nurses and engineers.

The most important elements of improving staff retention were all linked to training and development. These included increasing employee engagement, improving induction, improving training for line managers, and improving training and development opportunities more generally. The case studies identified ways that companies were trying to develop progression pathways for the largest occupational group. Often the emphasis was on encouraging staff not just to upskill but to multi-skill, so that they could move across as well as up the organisation.

Training and Development

Almost all the companies had an annual training plan and this was most often informed by a mix of top-down strategic priorities and bottom-up issues raised by individual performance reviews. Hence, half the companies (49 per cent) reported their training plan was arrived at through a combination of input from head office and local or regional levels. Key factors influencing the content of the training plan were regulatory requirements or industry standards, customer service needs, and the introduction of new technology, products or services.

All the companies provided training for their main occupational group, most commonly induction training for new recruits, job-specific training, and health and safety. Three-quarters (76 per cent) suggested that at least some of the training offered to their largest occupational group was externally accredited.

The main reason for offering externally accredited training was to provide recognition for employees' skills. It was felt that external accreditation was attractive to employees, especially if they did not have any other qualifications. Other reasons included meeting legislative requirements, keeping up with or setting the standard for the competition, and gaining more credibility with clients. Some companies raised concerns about how much accredited training could 'add value' compared with provision designed in-house, and a few had concerns about staff using accredited training to get jobs elsewhere.

Opinion was divided about whether the externally accredited training on offer was more about recognising existing skills or developing new ones, although slightly more employers agreed than disagreed (42 per cent versus 35 per cent). Some perceived that NVQ Level 2 in particular was more about assessment than training, although there were exceptions, for example where companies recruited people new to the job who needed to be trained from scratch. Others felt that externally accredited training was used more as a development tool and could help build career succession within the organisation – in particular at Level 3. Indeed, the most common reason for providing training to the largest occupational group was to extend the range of skills that employees used in their current job (mentioned by 48 per cent).

At the individual level, most companies formally assessed the performance of staff both before and after training had taken place. It was felt to be more difficult to assess the impact of training at an organisational level and only half of the companies (48 per cent) had done so (more commonly among lower-level than among higher-level occupations). Among these, three-quarters (73 per cent) had found the impact to be 'significant and positive'.

The most commonly reported benefits were increased productivity, improved employee commitment and involvement in the organisation, and improved employee morale. Case study findings revealed concrete examples of improved staff retention and sales figures after targeted training initiatives had been put in place.

The vast majority of companies used external training providers, although the average proportion of training delivered this way was only around 30 per cent. External training provision was most often sourced via a combination of head

office and local or regional levels (43 per cent). About a third (30 per cent) sourced it wholly via head office, mainly to ensure consistency across different locations.

Policy Issues

Employers generally felt that the balance of responsibilities for developing the UK workforce should be shared between business and government. The prevailing view was that government should have responsibility for ensuring a basic level of literacy and numeracy, and qualifications up to Level 2, leaving employers to focus on the rest. This did not necessarily mean developing people in terms of achieving qualifications, but developing them in terms of the skills needed to progress in work. Opinion was evenly divided about who should bear the costs of English for speakers of other languages (ESOL) training needed for overseas workers to perform their job, between the government (34 per cent) and employers (32 per cent).

Employers were asked what they understood by a more 'demand-led' education and training system. Responses emphasised a greater focus on business needs (including keeping training more responsive and better customer focus from training providers), wider access to public funding (in terms of which staff and which training qualified for support), less bureaucracy, and greater accountability for employers regarding the quality of training provision, including more flexibility to accredit in-house training.

This was linked to employers' views on the Skills Pledge. At the time of the survey (which covered the two months after its launch), around half the employers had heard of the Skills Pledge (52 per cent) and, of those, most agreed with it. The main observations were that Level 2 was just a starting point rather than an end in itself, there should be greater scope to accredit existing in-house provision, and the training should not be compulsory for staff if they did not want to do it.

Introduction

1   This report presents the results of a survey of 201 large national employers, including 60 member companies of the National Employer Service (NES), and follow-up case study research. The research was undertaken by the Institute for Employment Studies (IES) and IFF Research on behalf of the Learning and Skills Council (LSC).

Background and Aims of the Research

2   The vast majority of employers are small and medium-sized enterprises (SMEs), with just 1 per cent of employers with 250 or more staff (according to Office for National Statistics, *UK Business: Activity, Size and Location*, published in 2007). Employers with more than 5,000 staff comprise less than 0.1 per cent of all employers. However, around one-third of the total workforce in England is employed by such businesses.

3   The LSC already contracts centrally with very large (usually multi-site) employers to fund training through its NES. This removes the requirement for each employer to have a separate contract per provider or region. The NES has three main functions:

- to support the funding of work-based learning including Apprenticeships and Advanced Apprenticeships (for young people), Skills for Life training, and first NVQ Level 2 or Level 3 qualifications (for adults);

- to engage strategically with large employers to meet their workforce development and emerging skills needs; and

- to ensure that the views of large employers are represented within the LSC.

4   Lord Leitch's report recommended that the NES be expanded to provide a more effective advisory and brokerage service for large employers in relation to the Train to Gain programme. In view of these commitments, the main aim of this research is to inform the LSC's understanding of large national employers' attitudes and actions in terms of recruitment and training. Specifically, the research aims to:

- explore whether employers prefer to recruit 'ready-made' staff externally or to train 'in-house', and whom they believe has the main responsibility for providing a skilled workforce;

- understand recruitment practices, and especially the relative roles of qualifications and skills in the sifting process;

- examine the role of head or national offices in developing training plans and how far these are developed nationally or devolved to local sites;

- explore the training 'ethos' of companies, including what levels of employee typically receive training and whether the company's views on particular skills or qualifications are filtered through to its suppliers;

- develop knowledge around the different methods companies use to retain staff and what role training plays in this, if any; and

- understand the perceived benefits of training.

Methodology

5   The research was based on a two-stage methodology:

- **Stage 1** involved a semi-structured telephone survey of 201 senior-level human resources, workforce development or similar appropriate respondents from very large national companies. The survey was undertaken at head office level. Sixty interviewees were from NES member companies and 141 were from non-member companies.

- **Stage 2** consisted of four case studies undertaken among employers who had participated in the survey. These case studies explored in more depth the extent to which organisational workforce planning and development strategies are 'joined-up' and how recruitment and training policies are developed and implemented across the organisation.

Summary of survey research method

Sampling

6   The survey sample was drawn from three sources:

- the LSC provided a list of employers who are NES members;

- the LSC provided a list of NES-associated employers who had some contact with the NES via training providers, but who were not directly engaged with it, for example having no direct contact with the LSC or an NES account manager – these companies were not classified as NES members; and

- a census of the records for all organisations with 5,000 or more employees (excluding public sector organisations identified by 2003 SIC '75') obtained from Dun and Bradstreet.

7   A total population of 780 organisations (94 'NES sample' and 686 'non-NES sample') was obtained. There was a nominal target of 200 achieved interviews.

Research procedures

8   All interviews were conducted by IFF Research using computer-aided telephone interviewing (CATI), in the period between 12 June and 6 August 2007. Interviews lasted an average of 30 minutes. The interview was semi-structured in nature, which meant that it included a range of factual, attitudinal and open-ended questions.

9   The survey was targeted at head office level as this is the level at which strategies are most likely to be developed and cascaded through the rest of the

organisation. The target respondent was usually a senior-level human resource representative with particular responsibility for recruitment and/or workforce development.

10   A screening question for non-NES member companies was included in order to correct for discrepancies in the sample data relating to company size, which could sometimes be based on international rather than national figures. A minimum of 1,000 employees in the UK was set; any companies with fewer UK employees were screened out. A 'rolling pilot' was conducted with a review of fieldwork after the first few days. Only minor amendments were made to the questionnaire at this stage.

Response rate

11   The valid response rate for the study is defined as:

Response rate = completed interviews / (completed interviews + refusals)

The overall response rate for the survey was 46 per cent. Among the NES members, the response rate was 90 per cent, while among non-NES members the response rate was substantially lower at 38 per cent.

Questionnaire

12   The questionnaire was developed to investigate four core topic areas:

- the characteristics of large companies, including the nature of their work and their market and business strategies;

- the recruitment methods of large companies, the qualities and attributes they prioritised among recruits to their largest occupational group, and the importance of qualifications; information was also collected on factors that determine retention;

- the training strategy of large companies, including the reasons for and impact of training, use of external training providers and views on accredited training; and

- the views of large companies regarding topical skills policy issues, including the balance of responsibilities between the private and public sector, views on demand-led training, and awareness of the Government's Skills Pledge.

13   The full questionnaire is included in Annex 1.

Summary of case study research method

Case study selection and recruitment

14   A programme of case studies was undertaken as a more in-depth follow-up to the survey. The sample of case study companies was drawn from respondents who had taken part in the survey and agreed at the end of the interview to be

contacted again for follow-up research (comprising 90 per cent of all survey respondents).

15   As well as this, some key selection criteria for the case studies were agreed with the LSC. The main criterion was that the company had indicated in the survey that it had evaluated the impact of training on the organisation. In addition, the case study research sought to achieve an even split between NES and non-NES companies, and coverage across a range of different largest occupational groups.

Case study coverage

16   In total, four case studies were undertaken between the end of August and mid-October. These covered two NES and two non-NES companies, employing more than 30,000 staff between them. Table 1 indicates the sector of each case study company and its main occupational group.

Table 1: Overview of participating case study companies

Company	Industry/sector	Main occupation
Company A	Health and social care	Personal service occupations
Company B	Print manufacture and distribution	Process and machine operatives
Company C	Food warehousing and distribution	Process and machine operatives
Company D	Retail and facilities management	Retail and customer service occupations

17   Two versions of the topic guide were developed in conjunction with the LSC. One covered top-level strategic issues and policy questions (Annex 2); the other focused on more operational activities and incorporated questions on recruitment and training (Annex 3), which could be divided up and directed at different respondents as required.

18   Three of the four case studies included more than one interview, but in the fourth case the respondent was unable to provide access to other staff and felt that this was unnecessary as the respondent could provide a 'whole-organisation' perspective. The 'core' interview, undertaken with the main survey respondent, varied in length from one and a half to two and a half hours. This was supplemented by additional interviews with other staff as appropriate, such as recruitment or training specialists.

Interpretation of the data

19   Throughout this report it should be noted that the survey data is based on a sample of large companies and not the entire population. This means that the

survey data is subject to sampling tolerances (Table 2). These figures are based on a 95 per cent confidence interval and on a population of 800 non-NES large employers and 99 NES members.

20   For example, if 79 per cent of NES companies were Investors in People (IiP) accredited, compared with 65 per cent of non-NES companies, this would be statistically significant because the difference is greater than 10 percentage points.

Table 2: Differences required for statistical significance (95 per cent confidence interval)

	10 or 90%	30 or 70%	50%
60 NES and 141 non-NES employers	+/– 6.5 percentage points	+/– 9.9 percentage points	+/– 10.8 percentage points
43 employers (Level 4 occupations) and 133 employers (Level 2 or below occupations)	+/– 10 percentage points	+/– 15.3 percentage points	+/– 16.7 percentage points

Report structure

21   The remainder of this report is structured as follows:

- 'Overview of Large Companies' provides a sample profile of the 201 companies participating in this research, including an overview of their product and service strategies, and the distribution of the largest occupational group.

- 'Recruitment and Retention' examines recruitment methods and processes, and assesses the role of qualifications in the sifting process. This chapter also explores the importance of various factors on improving staff retention.

- 'Training' focuses on training and development. The use of external accreditation and the drivers for training more generally are explored, as well as views on, and experience of, evaluating the organisational impact of training.

- 'Policy Issues' is more topically focused and explores employers' views on various skills policy issues. These include the balance of responsibility for training between employers, individuals and government; their understanding of and support for the concept of demand-led training; and views on the Skills Pledge recommended in Lord Leitch's report and launched by the Government and the LSC in summer 2007.

Acknowledgements

22   The authors would like to thank Rob Cirin at the LSC for his helpful comments and advice throughout the project. We would also like to thank Jan Shury, Katie Carter, and Emma Hollis at IFF Research who expertly managed the employer survey, as well as the interviewers themselves who recorded high-quality and detailed verbatim responses during the survey. At IES we would like to

Overview of Large Companies

24   In this section, we set out the key features of the large companies covered in the study. This is outlined for two reasons: first, it provides a useful overview of some of the characteristics of large companies; and, second, it allows for comparison between NES and non-NES organisations both here and throughout the remainder of the report.

25   Looking at the basic characteristics of the large companies surveyed (Table 3) we find that:

• all the NES companies and 86 per cent of the non-NES companies were working in service sector industries;

• around 70 per cent of companies were solely or mainly UK-based;

• almost two-thirds (65 per cent) of companies were UK owned. NES member companies were less likely to be UK owned than non-NES member companies (57 per cent compared with 69 per cent);

• the companies were almost exclusively multi-site organisations;

• just over one-half (56 per cent) had or were working towards IiP;

• nearly two-thirds (63 per cent) of companies had over 5,000 employees working in the UK, and 12 per cent had a workforce of over 25,000 employees; NES companies were, on average, larger than the non-NES organisations; and

• as might be expected, the size distribution of the organisations in terms of employment within England broadly reflects their UK employment profile.

Table 3: Summary characteristics of NES large employers' survey respondents

	NES sample		Non-NES sample		Total	
	N	%	N	%	N	%
Industrial sector						
Service sector	60	100.0	121	86.0	181	90.0
Manufacturing sector	0	0.0	20	14.0	20	10.0
Whether organisation UK-based or multinational						
Exclusively UK-based	27	45.0	48	34.0	75	37.3
Some overseas offices but mainly UK-based	16	26.7	49	34.8	65	32.3
Fully multinational	17	28.3	44	31	61	30.3
Number of UK sites						
One site	0	0.0	3	2.1	3	1.5

More than one site	60	100.0	138	97.9	198	98.5
Number of employees in England (banded)						
Fewer than 1,000 people	2	3.3	1	0.7	3	1.5
1,000–2,999	10	16.7	37	26.2	47	23.4
3,000–4,999	12	20.0	35	24.8	47	23.4
5,000–9,999	16	26.7	33	23.4	49	24.4
10,000–14,999	6	10.0	12	8.5	18	9.0
15,000–19,999	3	5.0	8	5.7	11	5.5
20,000–24,999	1	1.7	3	2.1	4	2.0
25,000 or more	9	15.0	11	7.8	20	10.0
Don't know	1	1.7	1	0.7	2	1.0
Number of employees in UK (banded)						
Fewer than 5,000 people	18	30.0	56	39.7	74	36.8
5,000–9,999	20	33.3	38	27.0	58	28.9
10,000–14,999	4	6.7	17	12.1	21	10.4
15,000–19,999	4	6.7	12	8.5	16	8.0
20,000–24,999	4	6.7	2	1.4	6	3.0
25,000 or more	10	16.7	15	10.6	25	12.4
Don't know	0	0.0	1	0.7	1	0.5
Whether organisation UK or foreign owned						
UK owned	34	56.7	97	68.8	131	65.2
Foreign owned	26	43.3	42	29.8	68	33.8
Don't know	0	0.0	2	1.4	2	1.0
Total	**60**	**100.0**	**141**	**100.0**	**201**	**100.0**

Base: All companies

Source: IES/IFF Survey of large organisations, 2007

Product/Service Market and Business Strategies

26   As we have seen, there are some 'structural' differences between NES and non-NES member companies. For example, NES companies were on average larger than their non-NES counterparts and were more likely to be foreign owned. Another set of factors that could lead to variations in training and recruitment decisions are related to the markets in which these companies operate and their business strategies.

27   The survey considered the market and business strategies in terms of four dimensions.

- Product or service range – whether the organisation offers a wide or limited range of products or services.

- Price sensitivity – whether the organisation's success is dependent on price.

- Innovation – whether or not the organisation leads the way in terms of developing new products or services.

- Quality – whether the organisation offers a basic or premium quality product or service.

Range of products or services

28   Respondents were asked to grade the extent of the range of products or services they provided on a scale of 1 to 5 (1 being equal to a wide range and 5 being equal to a limited range). The majority of companies (56 per cent) reported a score of 1; that is, suggested that their organisation offered a very wide range of services. A further 19 per cent of companies reported a score of 2; that is, were above the mid-point in terms of range. Only one in ten (11 per cent) reported a score of 4 or 5, indicating a more limited range, and there was no distinction between NES and non-NES companies.

Price sensitivity

29   A second element of market and business strategy is the extent to which company success is dependent on price. Respondents were asked to grade the extent of their company's price dependency on a scale of 1 to 5 (1 on this scale is equivalent to being 'wholly price-dependent' while 5 is equal to being 'not at all price-dependent'). Just over one-third (36 per cent) of companies suggested that their success was neither price-dependent or independent (that is, opted for the midpoint, 3). The other two-thirds were almost equally divided (Figure 1).

Figure 1: Whether the organisation's success is dependent on price (1 = 'wholly' to 5 = 'not at all')
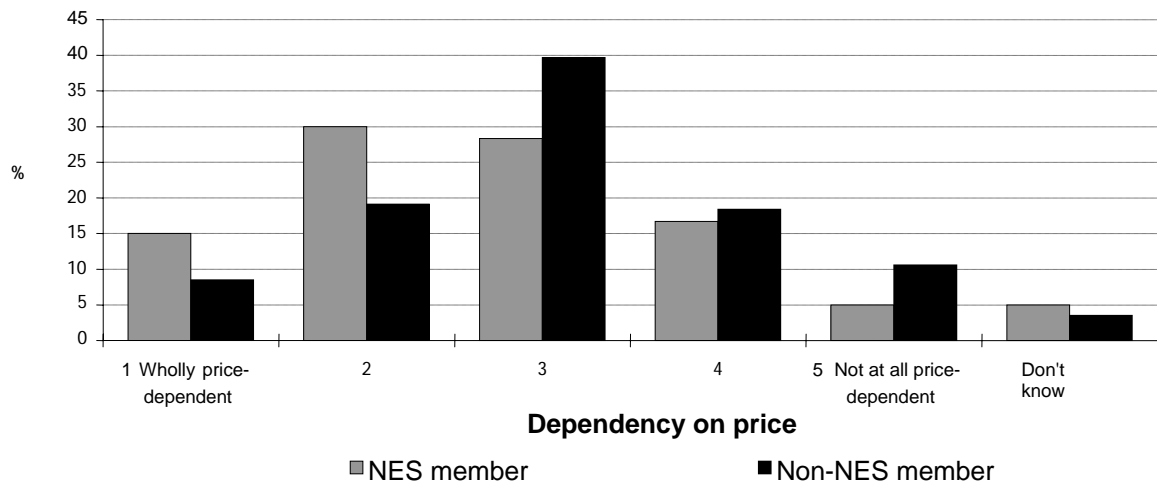
Base: All companies (201)

Source: IES/IFF Survey of large organisations, 2007

30   NES members were more likely to suggest that their product or service was price-dependent than non-NES members (45 per cent of NES companies compared with 28 per cent of non-NES companies).

Product and service innovation

31   With regards to product and service innovation, few companies suggested that they 'very rarely' or 'rarely' lead the way (9 per cent). Just over one-fifth (22 per cent) indicated that they were neither leaders nor followers (a score of 3), while the other two-thirds reported that they were more likely to lead or often lead the way (scores of 4 and 5).

32   Figure 2 shows that NES companies were substantially more likely than their non-NES counterparts to suggest they 'often' lead the way (47 per cent compared with 30 per cent).

Figure 2: Whether the organisation leads the way in terms of developing new products or services (1 = 'very rarely' to 5 = 'often')
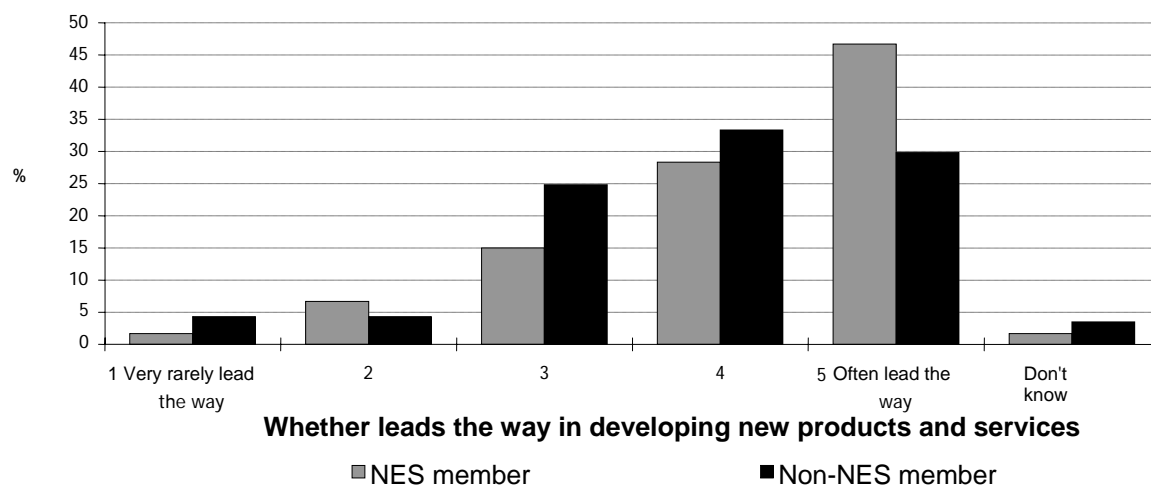
Base: All companies (201)

Source: IES/IFF Survey of large organisations, 2007

Basic versus premium quality

33   The final measure of market or business strategy relates to product or service quality. Few (10 per cent) suggested that they offered a standard or basic product or service, while a further one-quarter (26 per cent) indicated that their product or service was mid-range (a score of 3). The majority reported that their company offered a high or premium product or service, with 32 per cent opting for a top score of 5, and another 27 per cent selecting a score of 4. There was no significant difference between NES and non-NES companies.

Occupational Characteristics

34   The types of occupational groups that a company employs might also be expected to form a major contributory factor in determining its recruitment and training strategy. The survey collected information on both the range of occupations employed within each company and the largest occupational group within this range.

Range of occupational groups

35   Analysis of the range of occupational groups employed within the large companies that took part in the study shows that:

- almost all companies reported that they employed professional, associate professional, and administrative and secretarial occupations;

- a very high proportion reported employing sales and related occupations (90 per cent) or elementary occupations (79 per cent), while slightly fewer

employed skilled trades (73 per cent) or process, plant or machine operatives (71 per cent) – NES companies were more likely than non-NES companies to employ elementary occupations (85 per cent compared with 76 per cent of non-NES companies); and

- personal service occupations were the least likely to be employed overall, as we might expect due to the more specialised and sector-specific nature of such roles; around one-third (34 per cent) of companies employed people in these occupations, and NES companies were more likely than non-NES ones to report employing this group (43 per cent compared with 30 per cent).

Main occupational group

36   It was important to ask companies about their main occupational group as this was then used to frame many of the subsequent questions on recruitment and training. The survey suggests that when it comes to the main occupational group there are key differences between NES and non-NES companies (Figure 3) and such differences need to be borne in mind when reviewing the analysis of recruitment and training.

- Sales and customer services were most commonly cited as the largest occupational group, irrespective of NES membership.

- Professionals were the largest occupational group in 14 per cent of the companies surveyed. While they formed the largest occupational group in 17 per cent of non-NES companies, this was the case in just 7 per cent of NES companies.

- NES companies were more likely than non-NES companies to report that occupations traditionally associated with having intermediate or low-level skills needs were their largest occupational group. Combined 'process, plant and machine operatives', 'personal service occupations' and 'skilled trades' formed the largest occupational group in 50 per cent of NES companies, compared with 33 per cent of non-NES companies.

- Elementary occupations formed the largest employment group in just 12 per cent of companies.

Figure 3: Main occupational group by NES membership
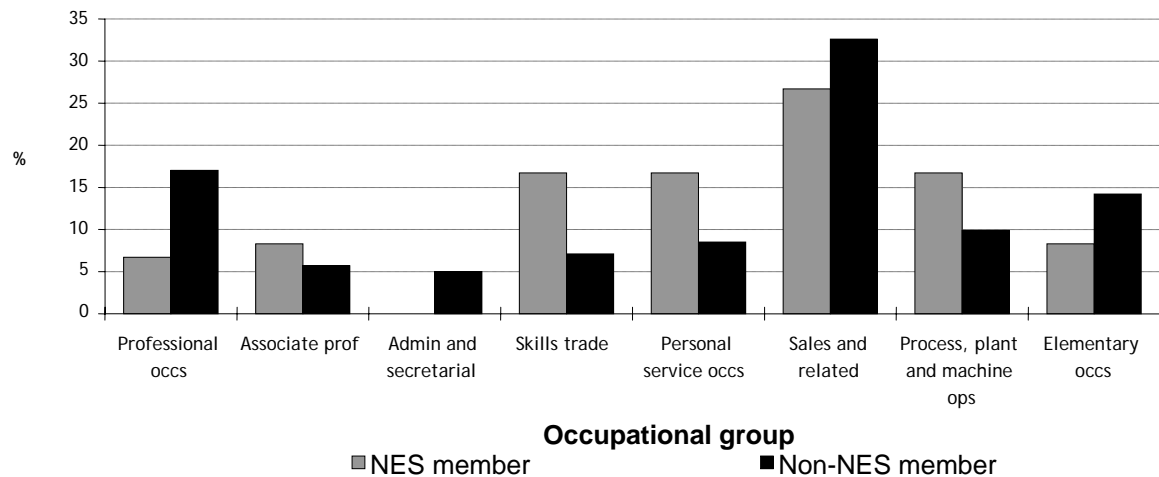
Base: All companies (201)

Source: IES/IFF Survey of large organisations, 2007

Measures of Job Quality

37 The final factor that we might expect to influence recruitment and training strategy is the nature of the work itself. The survey identifies three main elements of 'job quality':

- the amount of variety in the work;
- the amount of discretion in how the work is done; and
- the amount of involvement in how the work is organised.

38 Each of these elements of 'job quality' was explored in relation to the largest occupational group.

Amount of variety in the work

39 Respondents were asked to rate the amount of variety that they felt the main occupational group had in their work.

40 Half of the employers (50 per cent) reported that their largest occupational group had 'a lot' of variety in their work, while around one-third (32 per cent) felt they had at least 'some' variety. Just over one in ten (13 per cent) reported that their largest occupational group had 'a little' variety.

Discretion over how the work is done

41 We might also expect discretion over how the work is done to have some impact on recruitment and training needs as well as on skills requirements. When asked to grade the amount of discretion involved in work done by their main occupational group:

- around one-fifth (22 per cent) indicated that the main occupational group had 'a lot' of discretion, with a further 43 per cent identifying 'some' discretion; NES companies were less likely than non-NES companies to report 'a lot' of discretion over how the work is done (17 per cent compared with 25 per cent), which may reflect the higher proportion of non-NES companies identifying professionals as their largest occupational group; and

- a few companies (just 4 per cent) suggested that the employees in their main occupational group had no discretion at all over how they did their work.

42   As we might expect, Table 4 shows that high-level occupations had greater discretion than entry-level ones. Almost half the employers whose main occupational group was professional or associate professional reported they had a lot of discretion over how the work was done (49 per cent) compared with just 17 per cent of those whose main occupational group was at Entry Level.

Table 4: Amount of discretion over how the work is done, by main occupational group

	Level 4 occupations		Level 3 occupations		Level 2 or below occupations		Total	
	N	**%**	**N**	**%**	**N**	**%**	**N**	**%**
A lot	20	48.8	3	11.1	22	16.5	45	22.4
Some	15	36.6	13	48.1	58	43.6	86	42.8
A little	4	9.8	10	37.0	43	32.3	57	28.4
None	1	2.4	1	3.7	6	4.5	8	4.0
Don't know	1	2.4	0	-	4	3.0	5	2.5
Total	41	100.0	27	100.0	133	100.0	201	100.0

Base: All companies

Source: IES/IFF Survey of large organisations, 2007

Control over how the work is organised

43   The final job quality measure considered here is the extent of employee involvement in deciding how their work was organised. The survey found that:

- in one-fifth (19 per cent) of companies, the main occupational group had 'a lot' of involvement in deciding how their work was organised;

- around half (47 per cent) of companies reported that the main occupational group had some say in how their work was organised; and

- NES companies were less likely than non-NES ones to report that their main occupational group had 'little or no' involvement in organising their work (25 per cent compared with 35 per cent).

44   Again, examining the results by largest occupational group (shown in Table 5) finds that higher-level occupations were more likely to have 'a lot' of

involvement in decisions about how the work was organised than lower-level ones (42 per cent compared with just 15 per cent).

Table 5: Amount of involvement in decisions over how the work is organised, by main occupational group

	Level 4 occupations		Level 3 occupations		Level 2 or below occupations		Total	
	N	%	N	%	N	%	N	%
A lot	17	41.5	2	7.4	20	15.0	39	19.4
Some	17	41.5	14	51.9	63	47.4	94	46.8
A little	3	7.3	9	33.3	41	30.8	53	26.4
None	2	4.9	2	7.4	7	5.3	11	5.5
Don't know	2	4.9	0	-	2	1.5	4	2.0
Total	41	100.0	27	100.0	133	100.0	201	100.0

Base: All companies

Source: IES/IFF Survey of large organisations, 2007

Overall measures of job 'quality'

45   The following analysis attempts to measure job quality across three dimensions. In each case, it is possible to award a score of 1 to 5 (that is, to measure levels of variety, discretion over how work is done and discretion over how work is organised). By standardising the scale across each of these measures, a low score would indicate a low level of variety, discretion or decision-making, while a high score would suggest high levels of variety, discretion or decision-making.

46   Adopting this approach, we can see that on each measure both NES and non-NES companies suggest a level of 'job quality' that is above the mid-point (a score of 2.5). The levels are very similar across NES and non-NES companies (Table 6).

Table 6: Measures of job quality

	Amount of variety in the work	Amount of discretion over how the work is done	Amount of involvement in decisions over how the work is organised	Overall 'job quality' indicator
NES member				
Mean	3.4	2.7	2.9	3.0
N	60	60	60	60
Non-NES member				
Mean	3.3	2.9	2.8	3.0
N	133	136	137	130
Total				
Mean	3.4	2.9	2.8	3.0
N	193	196	197	190

Base: All companies (excluding 'Don't knows' at each question)

Source: IES/IFF Survey of large organisations, 2007

47   If we combine the average score across each of the three job quality measures, it is possible to derive an overall average measure of job quality. As we can see, the higher levels of variety and engagement in how the work is organised in the NES companies is counterbalanced by higher discretion in how the work is done in the non-NES ones. The result is that there is no real difference in the average job quality measure between NES and non-NES companies, and both groups have an average score of 3.

48   It is possible to use this measure to create an overall job quality score that is banded between (relatively) high, medium and low levels of autonomy and/or variety, and to compare this with broad occupational groups based on broad qualification requirements associated with those occupations.

49   Although we might expect that those occupations requiring higher-level skills are also likely to offer higher levels of job quality, the results in Table 7 are less clear-cut. Organisations that mainly have Level 4 occupations (that is, professional and associate professional/technical occupations, which normally require degree or equivalent qualifications) were the most likely to report that the work involves a high degree of autonomy and/or variety, as we might expect.

50   There is little variation, however, in the degree of job quality experienced by Level 3 (for example, skilled trades, secretarial and administrative occupations) or Level 2 qualification or below (personal service occupations, plant and machinery operatives, sales and customer services and elementary occupations). We should note that the number of companies in which the main occupational groups consist of Level 3 occupations is relatively small (N=27), and so comparisons between Level 3 occupations and other groups should be treated with caution.

Table 7: Overall job quality by main occupational group

	Level 4 occupations		Level 3 occupations		Level 2 or below occupations		Total	
	N	**%**	**N**	**%**	**N**	**%**	**N**	**%**
Low autonomy/variety	5	14.3	14	51.9	52	40.6	71	37.4
Medium autonomy/ variety	6	17.1	4	14.8	21	16.4	31	16.3
High autonomy/variety	24	68.6	9	33.3	55	43.0	88	46.3
Total	35	100.0	27	100.0	128	100.0	190	100.0

Base: All companies (excluding 'Don't knows')

Source: IES/IFF Survey of large organisations, 2007

Job proficiency

51   An alternative measure of the complexity of work that we have considered is the time it takes for employees to become proficient at their job. Around one in five companies (19 per cent) suggested that employees in their main occupational group can become proficient within a month of starting (Table 8). The majority (60 per cent) suggested that it would take between one month and six months, while 6 per cent reported that it requires more than a year.

Table 8: Amount of time that it takes for main occupational group to become proficient at the job by main occupational group

	Level 4 occupations		Level 3 occupations		Level 2 or below occupations		Total	
.	**N**	**%**	**N**	**%**	**N**	**%**	**N**	**%**
One week or less	0	0.0	0	0.0	2	1.5	2	1.0
More than one week, up to one month	3	7.3	6	23.1	27	20.6	36	18.2
More than one month, up to six months	25	61.0	16	61.5	78	59.5	119	60.1
More than six months, up to one year	5	12.2	2	7.7	14	10.7	21	10.6
More than one year	4	9.8	2	7.7	5	3.8	11	5.6
Don't know	4	9.8	0	0.0	5	3.8	9	4.5
Total	41	100.0	26	100.0	131	100.0	198	100.0

Base: All companies that consider external applicants for main occupational group

Source: IES/IFF Survey of large organisations, 2007

52   To some degree, the length of time it takes employees to become proficient is associated with the type of occupation concerned. For example, 22 per cent of companies whose main occupational group tends to require Level 4 qualifications suggested that employees take more than six months to become proficient, compared with 15 per cent of companies whose main occupational group tends to require Level 3 qualifications or below (Table 8). Similarly, only 7 per cent of companies dominated by Level 4 type occupations suggested that employees could become proficient in less than one month, compared with over 20 per cent of companies dominated by lower-level occupations.

Recruitment and Retention

53   The study considered the recruitment and retention strategies adopted by large companies. In particular the survey focused on:

• the extent to which large companies prefer to encourage internal staff progression or recruit from outside their organisation;

• the methods that large companies use to recruit, and their most popular sources of recruitment;

• whether large companies actively recruit from overseas and, if so, the reasons why;

• the value that large companies place on qualifications as a measure of skills; and

• views concerning factors that improve staff retention.

Internal Versus External Applicants

54   It may be hypothesised that companies which look towards developing their staff with a view to progression are, on the whole, likely to be more engaged in training activities than companies relying upon external sources of recruitment. In the light of this, respondents were asked about the extent to which their company preferred internal or external applicants when filling a vacancy in their largest occupational group.

• The majority (69 per cent) gave equal profile to internal and external applicants for their main occupational group.

• A sizeable minority (26 per cent) reported that, all else being equal, internal applicants were given preference over external applicants, although just three companies said that *only* internal applicants would be considered.

• Hardly any companies reported that they would, all else being equal, give preference to an external applicant over an internal one, or only accept external applications.

55   Companies reporting that they preferred to recruit internal applicants for their main occupational group were asked why. The following are the main reasons given.

• Internal applicants had a better understanding of the business or sector:

    [They have] an existing level of knowledge and understanding; understanding of the business culture.

• The company had a policy to promote internal progression. Some respondents said this was historically part of the company's organisational culture:

    It's about developing a cultural fit – the person already understands the company and we like to grow our own talent.

They understand the business and the sector. We do an awful lot of training so it provides career progression which obviously aids retention and motivation. It's the culture of the company as well, historically – that's the way it's been for the last 40 or 50 years. We do bring people in from outside but the preference is internal.

- Improved staff retention and morale:

   We are all about promoting from within and developing our staff. It's an incentive for people to stay with us long term.

- It was more cost-effective and less 'risky' to appoint internal applicants:

   It's down to knowing more about the people already: taking less of a gamble on people.

   They would have the health and safety and operational knowledge that we require – in other words we don't need to waste money.

56   Analysis of the case study evidence found that companies generally recruited for their largest occupational group externally, but then aimed to progress them in these roles, by seeking to develop people into more supervisory positions or develop them more laterally into different job roles and functions. The main reason why the four case study companies recruited externally into their main occupational group was that it was generally at a fairly low level within the organisation and hence there was limited scope to progress people into that particular role from within the company.

57   The printing, food warehousing/distribution, and health and social care companies had all encountered recruitment difficulties caused by what they perceived to be a poor 'image' of the work involved in their sector and, in the case of health and social care, relatively low wages compared with other sectors such as retail. Such recruitment difficulties were generally in terms of low numbers of applicants rather than skills shortages *per se*, as all these companies felt they needed to train most new recruits from scratch anyway, rather than recruiting ready-skilled applicants.

Case study: Innovative ways of addressing recruitment shortfalls

Company B (print manufacture and distribution) relied heavily on the recruitment of apprentices to fill Entry Level positions and this was becoming increasingly important as technological changes meant the industry became more IT- and engineering-based. Over the past few years it has encountered increasing difficulties in recruiting young people, mainly because of the perceived poor image of the industry (although wages are, in fact, relatively high and the sector offers good opportunities for career progression). In response to this problem, the company developed an online training program aimed at the 14–19 market, that could be used in classrooms with interactive

media (such as CD-Roms and interactive whiteboards). Currently, over 50,000 young people are using this program, which familiarises them with the processes and technologies used in printing, and the company no longer advertises for Apprenticeship vacancies as they are over-subscribed: 'We're very successful; we don't advertise for apprentices any more, full stop.'

58   In terms of opportunities for progression among the largest occupational group, all four case study companies preferred to promote people internally rather than recruit externally, wherever possible. Progression pathways could be in terms of promotion to supervisory or more specialist roles, or, laterally, to different job roles or business areas. The main motivations behind the preference for internal progression rather than external recruitment were cost-effectiveness, employee retention and building employee commitment and loyalty.

Case study example: Internal progression pathways

Company A (health and social care) has a joined-up career pathways programme that covers every member of staff. This aims to support staff to progress upwards through the organisation but also encourages sideways moves if this fits with the aspirations of the employee. The company provided examples of staff who had joined as care assistants, worked their way through NVQ Level 2 and Level 3, and then gone into nurse training and returned as qualified nurses. Senior care assistants who wanted to enter management could undertake Level 2 or 3 courses in Team Leading and progress through to a Level 4 in Management. Similarly, someone working in support services could eventually specialise in care or catering.

> A support services worker will be involved in a bit of care work and also some of the laundry, some of the cleaning and domestic things in the home. From that they can actually move across to catering and hospitality and become a chef … It's interchangeable and it's not just, 'Right, you're a carer, you're going to do this route,' and, 'Right, you work in the kitchen and you are going to do this route'.

This patchwork approach meant that staff could 'mix and match' qualifications and move across into different job functions if the opportunity arose. One of the value-added benefits of this was that the company had 'grown' many of its own internal training and development staff, with the opportunity for people to train as assessors and internal verifiers, or – in catering – to become a 'Master Chef' at Level 3+ and participate in the training of other staff.

Methods of Recruitment

59   Respondents who advertised vacancies externally were asked to list the range of methods that they used (Figure 4). The most popular were local or regional newspapers (61 per cent), followed by fee-charging private employment agencies (51 per cent), internal notices (31 per cent), word of mouth (30 per cent), the company website (28 per cent) and the Jobcentre or Employment Service (27 per cent).

60   NES companies were more likely to use public sector agencies than non-NES ones: they were three times more likely than non-NES companies to use the Jobcentre/Employment Service (42 per cent compared with 14 per cent), and twice as likely to use Careers Services (20 per cent compared with 9 per cent).

Figure 4: Methods of recruitment (multiple responses possible)
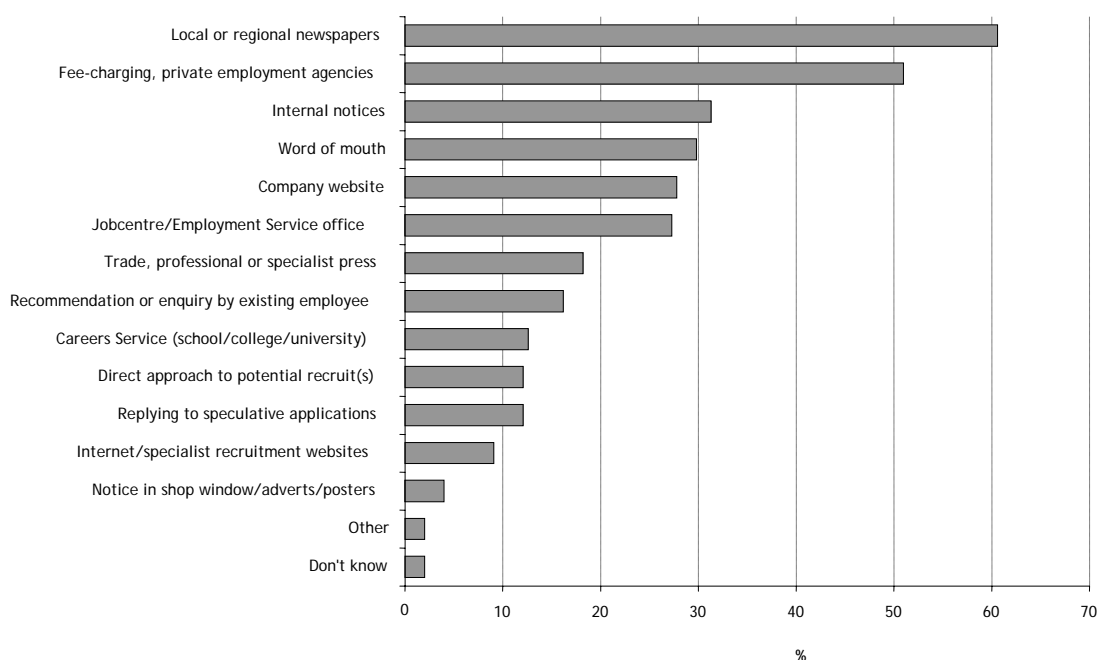
Base: All companies that consider external applicants for main occupational group (198)

Source: IES/IFF Survey of large organisations, 2007

61   Focusing on the *main* method of advertising or promoting vacancies, the most popular method was fee-charging private employment agencies (22 per cent), followed by local or regional newspapers (20 per cent). The main distinction here was that non-NES companies were more likely than NES companies to report that fee-charging private employment agencies were their main recruitment method (25 per cent compared with 15 per cent). This reflects differences in the main occupational groups, with non-NES companies more likely to cite professional and sales and/or customer service roles where the use of recruitment agencies is more commonplace.

Use of Overseas Recruitment

62   The study also considered whether large companies actively recruited people from overseas to work in the UK. Just over four in ten (43 per cent) actively recruited some employees from overseas, and across a range of occupations, not just their main occupational group.

63   Large companies that require higher-level skills from their main occupational group (for example, Level 4 qualifications) were slightly more likely to recruit actively from overseas than those requiring intermediate or Entry Level qualifications (Level 3 or below). Around half (49 per cent) of companies whose main occupational group usually requires a Level 4 qualification reported that they actively recruited from overseas. This compares with just over 40 per cent of companies whose main occupational group tends to require a Level 3 qualification or below.

Table 9: Whether organisation recruits from overseas by main occupational group (broad)

	Level 4 occupations		Level 3 occupations		Level 2 or below occupations		Total	
	N	%	N	%	N	%	N	%
Yes	20	48.8	11	40.7	56	42.1	87	43.3
No	19	46.3	15	55.6	73	54.9	107	53.2
Don't know	2	4.9	1	3.7	4	3.0	7	3.5
Total	41	100.0	27	100.0	133	100.0	201	100.0

Base: All companies

Source: IES/IFF Survey of large organisations, 2007

64   This is illustrated by the range of occupations recruited from abroad. By far the most commonly mentioned groups were qualified nurses and engineers. Accountancy staff, senior sales and/or finance staff, technical staff, doctors and scientists were also mentioned. Among other occupations that tend to require Level 3 qualifications or below, the main groups cited were customer service staff, carers, chefs, skilled trades (for example, welders) and maintenance staff and/or cleaners.

65   The overwhelming reason for recruiting staff from overseas was that there were not enough applicants with the right level or type of skills in the UK (82 per cent). Only 12 per cent of companies gave the reason that 'staff from overseas have better attitudes towards the job/take more pride in their work'. Just 2 per cent recruited overseas staff mainly because they perceived 'staff from overseas tend to work harder than staff from the UK'.

66   Only one of the case study companies had actively recruited staff from overseas, although another two reported that a significant minority of their staff (for

example, 10 to 15 per cent) were non-UK nationals, mainly from European Union accession countries. The main reason for recruiting staff directly from overseas was to fill recruitment shortages caused by skills gaps.

Case study: The use of overseas recruitment to fill skills gaps

In the past, Company A (health and social care) had actively recruited nursing staff from abroad, particularly from Poland, South Africa and Bulgaria. More recently, this has stopped due to changes in immigration law combined with a more buoyant labour market for nurses in the UK. Staff recruited from abroad to work in the UK were employed either as nurses or as senior care assistants. The company has found that many were originally employed in jobs below the level of their existing qualifications and experience, but after two or three years many have now progressed into fairly senior positions.

> The overseas staff tend to be people that are nurses in their own country and we have recruited them as senior carers. They can supervise. They have got good skills that they already come with and once we have inducted them to the processes and everything else, you've got someone who knows what they are doing quite quickly.

The company has found that non-UK nationals are keen to get training at NVQ Level 3 even though this is below the level of their existing nursing qualifications, mainly because they want a recognised UK-based qualification. This has placed greater emphasis on the 'careers guidance' role of the company in terms of directing staff to more appropriate training:

> If it's absolutely no benefit and it's going to waste a year of their life then what's the point? So we would explain to them why and what should be doing next or what they could be doing as an alternative. On the whole that sort of guidance supports them and enables them to move on.

Another result of this is that the company has been offering a more unitised delivery focusing on particular elements of NVQ Level 3, allowing overseas recruits to top up their skills as required, without having to do the full qualification.

Recruitment Priorities

67   The most commonly cited attribute that employers sought when recruiting to their main occupational group was motivation and/or general attitude (94 per cent). Generic skills (such as customer facing, team working, leadership or managerial skills) were the second most frequently cited (mentioned by 84 per cent). Specific and/or technical skills (for example, job-specific competencies, IT, language skills) were cited by 61 per cent of companies.

68   Around one-half of large companies respectively looked for a 'particular qualification or level of qualifications' or a 'particular type or number of years' work experience'. NES companies were more likely than non-NES companies to cite qualifications as an attribute they looked for (55 per cent compared with 43 per cent), while they were less likely to suggest that a particular type or number of years of work experience was important (43 per cent compared with 57 per cent).

69   Looking at what employers were *mainly* looking for among applicants to the main occupational group (Table 10), we find significant variations depending on the broad level of the occupation concerned.

- Nearly half of the employers (45 per cent) prioritised motivation and/or attitude. However, this was much more likely among those whose main occupational group usually required Level 2 qualifications or below (56 per cent) compared with those whose main occupational group tended to be at Level 4 (20 per cent).

- Around one in five (19 per cent) reported that they were mainly interested in specific and/or technical skills. Some 39 per cent of employers whose main occupational group tended to require Level 4 qualifications prioritised these, compared with just 8 per cent of those whose main occupational group was at Level 2 or below.

- A similar proportion (17 per cent) prioritised generic skills, but this was much more likely to be sought by employers whose main occupational group was at Level 2 or below rather than higher-level occupations (21 per cent compared with just 5 per cent).

- Around one in ten employers (11 per cent) suggested that a particular qualification or level of qualifications was their main priority among applicants.

- Very few employers suggested that a particular type or number of years of work experience was their key requirement (5 per cent).

Table 10: Main attribute that employers are looking for when recruiting staff, by main occupational groups (broad)

	Level 4 occupations		Level 3 occupations		Level 2 or below occupations		Total	
	N	%	N	%	N	%	N	%
Specific and/or technical skills	16	39.0	12	44.4	10	7.5	38	18.9
Generic skills	2	4.9	4	14.8	28	21.1	34	16.9
Particular qualification or level of qualification	7	17.1	2	7.4	14	10.5	23	11.4
Type or number of years of work experience	6	14.6	0	0	4	3.0	10	5.0
Motivation and/or attitude	8	19.5	9	33.3	74	55.6	91	45.3
Other	1	2.4	0	0	1	0.8	2	1.0
Don't know	1	2.4	0	0	2	1.5	3	1.5
Total	41	100.0	27	100.0	133	100.0	201	100.0

Base: All companies

Source: IES/IFF Survey of large organisations, 2007

70   The main occupational group for all four of the case study companies was at Level 2 or below and all four prioritised motivation and a good attitude when sifting applicants. One of the four nominally asked for five GCSE passes or equivalent, but reported that they rarely got this. All had qualification or skills requirements at higher levels or when recruiting for specific programmes such as Apprenticeships and graduate training schemes.

71   When it came to a choice of sifting on qualifications or skills for their main occupational group, many felt they did not actually have this choice because of low skills levels in the UK labour market and/or the nature of applicants for their main occupational group, for example women returners who had been out of the labour market for some time or who had never had a formal paid job. Their alternative to getting ready-skilled or qualified staff was to recruit for 'attitude' and then train on the job.

> Most of the people who come to work in that particular job [healthcare assistant] come with not many skills and usually they come, historically, because they haven't got qualifications to go into something else … My view is that you have lots of people who turn up with no GCSEs, who are going to be absolutely blinding at the job. The fact they messed about at school or couldn't do it for whatever reason shouldn't be relevant to whether they can do a job or not. Some employers obviously do want five GCSE grades A–C for that sort of work, but they are restricting themselves and missing out on a lot of good valuable people by doing it.
>
> Company A (health and social care)

> We'll suss them out, we'll see who's keen and who's not keen, and we'll employ them … We have no choice but to employ people who are available to do the job. In an ideal world we'll employ people who have the relevant underpinning knowledge but we don't have that luxury, sadly … Qualifications don't make a difference. Having somebody who's entrepreneurial and keen to learn, keen to develop and keen to see an opportunity is what we're looking for … Can they do the job? And if they can't, how quickly are they going to learn it?
>
> Company B (print manufacture and distribution)

72   High job 'quality' (see paragraphs 45–50) is correlated with a need for specific and technical skills, a particular type or number of years of work experience, or for particular qualifications or levels of qualifications. ('Quality' in this sense is a composite measure comprising amount of variety in the work, amount of discretion over how the work is done, and amount of discretion over how the work is organised.)

- Three-quarters (75 per cent) of those who suggested their main occupational group offered a high level of job quality reported that specific and/or technical skills were important in recruitment, compared with around half of those whose main occupational group offered medium- or low-quality jobs (52 per cent and 47 per cent respectively).

- Three-fifths (59 per cent) were looking for a particular type or number of years of work experience for high-quality jobs, compared with less than half for medium- or low-quality jobs (48 per cent and 39 per cent respectively).

- One-half (50 per cent) of employers who reported that their main occupational group was engaged in high-quality work also looked for particular qualifications or levels of qualifications when recruiting, compared with 37 per cent for low-quality jobs.

73   Table 11 shows the main attribute that employers sought among applicants to their largest occupational group, by job quality. While motivation and a good attitude were the most important attributes across all levels of job quality, they were more important for low-quality jobs than for high-quality ones (56 per cent compared with 41 per cent). In contrast, specific and/or technical skills were a higher priority for employers recruiting to high-quality jobs than to low-quality ones (25 per cent compared with 13 per cent).

Table 11: Main attribute that employers are looking for when recruiting, by job 'quality'

	High	Medium	Low	Total
	%	%	%	%
Specific/technical skills	25.0	16.1	12.7	18.9
Generic skills	14.8	19.4	19.7	17.4
Particular qualification or level of qualification	9.1	12.9	8.5	9.5
Particular type or number of years of work experience	6.8	6.5	1.4	4.7
Motivation and/or attitude	40.9	45.2	56.3	47.4
Other	1.1	0.0	1.4	1.1
Don't know	0.0	0.0	2.3	1.1
Total	88	31	71	190

Base: All companies for which a composite measure of job quality was possible

Source: IES/IFF Survey of large organisations, 2007

Methods of Skills Assessment

74   Having established the range of skills and attributes that large companies are keen to attract, we now examine the methods by which these companies seek to identify these qualities. The survey considered the importance that large companies place on six key assessment methods and criteria when assessing skills: interviews; assessment centres; personality or aptitude tests; performance or competency tests; qualifications; and previous work experience.

75   The respondent was invited to score the importance of each of these on a five-point scale between 'very important' (score of 5) and 'not important at all' (score of 1). The results showed that:

- by far the most important method used to assess applicants' skills was through the interview process (97 per cent of companies said this was 'very' or 'fairly' important);

- this was followed by looking at previous work experience (85 per cent), the use of performance or competency tests (72 per cent) and prior qualifications (62 per cent); and

- the use of personality and/or aptitude tests and assessment centres played a lesser role in assessing the skills of applicants to the main occupational group (46 per cent and 51 per cent cited these as 'very' or 'fairly' important).

76   Table 12 shows the proportion of assessment methods rated as being 'very' or 'fairly' important, by broad occupational group. The main points to note are that:

- a greater range of methods were rated as important for assessing the skills of applicants to high-level occupations, compared with low-level ones, where there was more emphasis on using the interview and prior work experience; and

- employers who cited high-level occupations as their largest occupational group placed much greater emphasis on looking at prior qualifications (92 per cent) and on personality and/or aptitude tests (64 per cent) than those whose largest occupational group was at a lower level.

Table 12: Importance of different assessment methods for assessing the skills of applicants, by main occupational groups (broad) – proportion rating 'very' or 'fairly' important

Percentage rating 'very'/'fairly' important	Level 4 occupations		Level 3 occupations		Level 2 or below occupations		Total	
	N	%	N	%	N	%	N	%
Interview	39	100.0	25	92.6	115	97.4	179	97.2
Work experience	35	89.7	22	81.4	99	83.9	156	84.8
Performance/competency test	32	82.0	21	77.8	80	67.8	133	72.3
Qualifications	36	92.3	18	66.6	60	50.8	114	62.0
Assessment centre	24	61.5	12	44.4	57	48.3	93	50.5
Personality/aptitude test	25	64.1	9	33.3	51	43.3	85	46.2
Total N	39		27		118		184	

Base: All companies rating specific or generic skills as being important among applicants to their main occupational group. Multiple responses possible.

Source: IES/IFF Survey of large organisations, 2007

77   Table 13 explores the importance of different methods of assessment according to whether employers were mainly looking for specific and/or technical skills, generic skills, or motivation and a good attitude from applicants to their largest occupational group.

78   Notably, those prioritising specific and/or technical skills were much more likely than average to say that prior qualifications and work experience were 'very important' in their assessment of these skills, with only negligible difference between the two (45 per cent and 47 per cent, respectively). In contrast, just over one in ten employers (12 per cent) who prioritised generic skills felt that using qualifications was a 'very important' way of assessing these, with work experience being much more important. This is consistent with some of the issues raised in the qualitative research which found that employers felt generic skills to be much less well-signified by qualifications (see paragraphs 84–98).

34

Table 13: Importance of different assessment methods for assessing the skills of applicants, by priority attribute – proportion rating 'very important'

	Specific/technical skills	Generic skills	Motivation
Percentage rating 'very important'	%	%	%
Interview	76.3	88.2	75.6
Work experience	47.4	29.4	21.8
Performance/competency test	34.2	38.2	21.8
Qualifications	44.7	11.8	9.0
Assessment centre	26.3	17.6	28.2
Personality/aptitude test	7.9	15.2	17.9
Total N	38	34	78

Base: All companies rating specific or generic skills as being important among applicants to their main occupational group

Source: IES/IFF Survey of large organisations, 2007

79   The case study evidence found that interviews were the main method of assessing whether applicants had the right attitude and aptitude for the job, among the main occupational group (which tended to be at a low level). Some companies also assessed applicants in other ways. Company D (retail and facilities management) operated assessment centres for more large-scale recruitment exercises, where applicants were assessed through a mixture of interviews and exercises against a competency-based framework. They also carried out aptitude tests to assess levels of numeracy. Company C (food warehousing and distribution) set a literacy and numeracy test at the interview stage, and expected successful applicants to achieve at least 75 per cent. These methods reflect employers' needs for a good basic level of literacy and numeracy among staff.

80   Company A (health and social care) incorporated a visit to a care home as part of the interview process, as much for the interviewee to assess whether the work was for them, as to gauge their suitability for the post:

> Quite often if you have got somebody that has not been in care before, if they are not cut out for it you will know as soon as you take them around the home … [Interviewees] may well tell you when you get to the front door, 'Sorry, this isn't for me'.
>
> Company A (health and social care)

The Importance of Qualifications in Recruitment

81   Around two-thirds of companies reported that having specific qualifications, or a particular level of qualification, was important in setting recruitment criteria. The study then asked which levels of qualification they would expect from people working in their main occupational group.

- The most commonly cited level of qualification was Level 2 (57 per cent) followed by Level 3 (46 per cent) and then Level 4 or above (43 per cent) (multiple responses possible).

- There were some variations by NES membership. NES companies were substantially more likely than non-NES companies to prefer Level 2 and Level 3 qualifications (67 and 60 per cent compared with 53 and 39 per cent, respectively).

Figure 5: Level of qualification sought for main occupational group
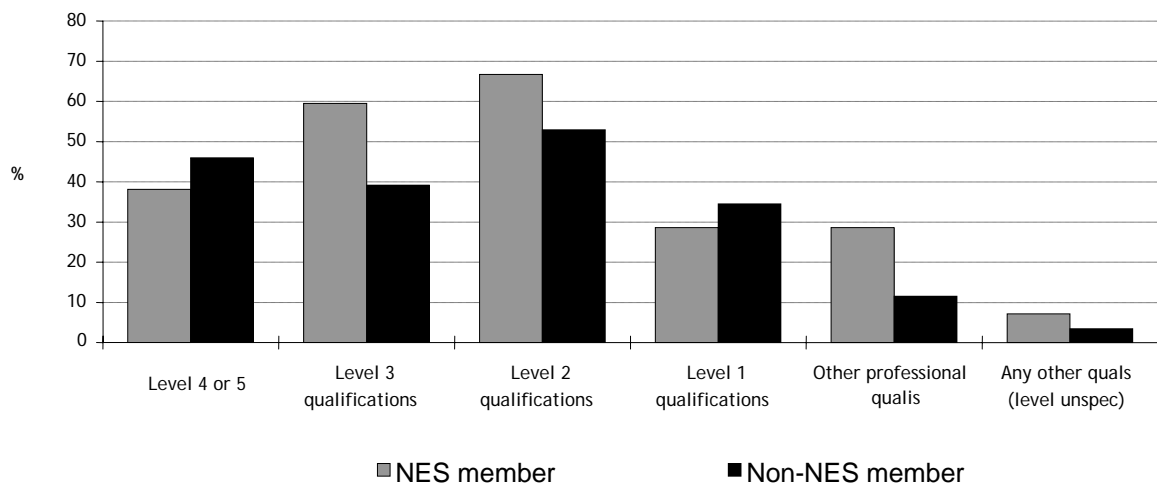
Base: All companies that said qualifications were important (129). Multiple responses possible.

Source: IES/IFF Survey of large organisations, 2007

82   We might expect that differences in the importance given to the various qualification levels reflect differences in the main occupational groups concerned. In companies that said qualifications were important, the relationship between qualifications expected from applicants to the main occupational group and the occupations themselves appears to confirm this (Table14). Small base sizes for some occupations mean that the results should be interpreted with caution, but, broadly, these show that the higher the occupation level, the higher the level of qualification expected among applicants. For example, 85 per cent of employers whose main occupational group consisted of professional occupations sought applicants with Level 4 or 5 qualifications; while 71 per cent of those whose main occupation consisted of sales and customer services occupations sought Level 2.

Table 14: Main occupational group by qualification level required of applicants

	Level 4 or 5	Level 3	Level 2	Level 1	Other profes- sional	N
	%	%	%	%	%	
Professional occupations	84.6	38.5	26.9	19.2	19.2	26
Associate professionals	72.7	54.5	45.5	18.2	27.3	11
Admin and secretarial	40.0	80.0	60.0	40.0	20.0	5
Skilled trades	26.7	66.7	53.3	13.3	40.0	15
Personal service	66.7	38.9	66.7	22.2	16.7	18
Sales and customer services	14.3	46.4	71.4	42.9	7.1	28
Process, plant and machine operators	18.8	43.8	68.8	50.0	12.5	16
Elementary occupations	10.0	20.0	80.0	70.0	0.0	10
Total	43.4	45.7	57.4	32.6	17.1	129

Base: All companies that said qualifications were important. Multiple responses possible.

Source: IES/IFF Survey of large organisations, 2007

83   Previous evidence from the case studies showed that qualifications were not particularly important when recruiting to the main occupational group. However, having a good level of literacy and numeracy skills was becoming increasingly important, due to factors such as health and safety considerations and other industry standards such as the need for accurate record-keeping in health and social care.

Case study: Improving staff literacy and numeracy

Two of the case study companies were promoting Skills for Life training for staff. Company A (health and social care) ran its own Skills for Life programme, including key skills certificates from Level 1 upwards. The company also found it had to provide top-up ESOL training for some staff recruited from overseas, even though, on paper, they had the required level of English-language skills.

Company C (food warehousing and distribution) had recently joined the Train to Gain programme and was pleased that it offered the opportunity for integrated basic skills assessment and training alongside delivery of the NVQ Level 2. In partnership with the training provider, Company B was developing different options for staff who wanted to improve their literacy and numeracy while undertaking work-based training, such as promoting independent learning opportunities via the internet, or through an open learning centre.

Do employers regard qualifications as a good indicator of skill?

84   To obtain a sense of the value that large companies place on qualifications, the survey considered whether respondents felt that qualifications were a good indicator of the skills they needed among their main occupational group. The majority (60 per cent) agreed, including 18 per cent who strongly agreed. A quarter (25 per cent) of NES companies agreed strongly with the statement compared with 15 per cent of non-NES companies.

85   The extent of agreement or disagreement partly depends on the main occupational group that the company employs, as we might expect (Table 15). Results suggest that qualifications are seen as a good proxy for skills among higher-level qualifications but less so among lower-level ones. Those whose main occupational group often requires Level 4 qualifications and above (for example, professional and associate professional occupations) were much more likely than those who mainly employed occupational groups requiring Level 3 or Level 2 and below to agree that qualifications were a good indicator of skills (81 per cent compared with 52 per cent and 55 per cent respectively). They were also more likely to agree strongly with the statement (29 per cent compared to 15 per cent).

86   However, there was little difference in views between companies whose main occupational groups usually require Level 3 qualifications, and those whose main occupational groups tend to require Level 2 qualifications or below. It should also be noted that, while those whose main occupational group was at intermediate or lower levels were more likely to disagree that qualifications were a good indicator of the skills they required, they were still in the minority.

Table 15: Extent of agreement or disagreement with the statement 'qualifications are a good indicator of skills', by main occupational group

	Level 4 occupations		Level 3 occupations		Level 2 or below occupations		Total	
	N	**%**	**N**	**%**	**N**	**%**	**N**	**%**
Agree	33	80.5	14	51.8	73	54.8	120	59.7
Neither agree nor disagree	6	14.6	8	29.6	30	22.6	44	21.9
Disagree	1	2.4	5	18.5	28	21.1	34	16.9
Don't know	1	2.4	0	0.0	2	1.5	3	1.5
Total	41	100.0	27	100.0	133	100.0	201	100.0

Base: All companies

Source: IES/IFF Survey of large organisations, 2007

87   As might be expected, there was a clear correlation between the extent to which respondents believed that qualifications were a good indicator of skills and the importance they attached to qualifications in assessing the skills of job applicants.

Main reasons for agreeing that qualifications are a good indicator of skills

88   Vocational qualifications were perceived as a good benchmark and/or foundation in terms of having the competencies to do the job. This could also be promoted to clients as being a mark of quality.

> It is a starting point from where we don't have to restart things … if someone comes in with a valid qualification we know we don't have to restart training them in the basics.

> It saves time as the person has the knowledge and experience needed for the job and we don't need to train them.

> It guarantees a measured skill level and therefore it reduces risk to the business and satisfies our clients' requirements for skilled operatives.

89   Vocational qualifications were needed to meet government or industry regulations, that is, a specific requirement to do that job.

90   Qualifications generally meant that the applicant had an acceptable level of literacy and numeracy and other key skills in the workplace such as communication and problem-solving.

> The people with qualifications have better communications skills and IT and numeracy skills than the people with no qualifications.

> The qualifications the person has might not be relevant to the job, but the basic skills are very important in deciding the person's capability to do the job.

91   Qualifications were perceived as a sign of commitment and motivation.

> [It shows] ability to learn and the attitude to master a skill – focus and commitment.

> The people with qualifications tend to have more motivation and attitude than the people with no qualifications.

92   Qualifications were viewed as evidence that people are open to further learning and training.

> It is an indication – in sifting through a large number of CVs, you're inclined to go for the one that has a qualification as opposed to the one that doesn't. It displays an aptitude for learning.

> I think it gives an indication of people's commitment to learn, their competency levels and also their motivation to improve and develop.

Main reasons for disagreeing that qualifications are a good indicator of skills

93   Qualifications do not necessarily signify certain skills that might be required, in particular generic skills, such as communication.

> I'm not convinced that qualifications have kept up with what employers need, because one of the things we are interested is social skills – what people are like in real-time situations.

> Attitude to selling is all-important – we prefer enthusiasm and ability to excite rather than an all-encompassing product knowledge.

> We are looking for attitude and approach and the ability to talk to people, rather than a qualification. Interpersonal skills are picked up less well by qualifications.

94   Qualifications do not transfer into 'real life' or are not appropriate for the job role or company.

> The qualifications that are on offer are simply not applicable to our circumstances.

> Because in my personal and professional life the qualifications they have on paper don't necessarily mean they can do the job; it's more work experience that counts.

Results from the case studies

95   The case studies revealed mixed opinions. Generally, for new recruits to the largest occupational group, relevant qualifications were a bonus rather than essential, as all the companies were prepared to train these staff in-house. However, it should be borne in mind that all of the case study companies had mid- or low-level occupations as their largest occupational group.

> A lot of what we do you don't really need particular technical qualifications for; also, it's not necessarily applicable to say that people need to have GCSE in Maths and English if a lot of the role is actually about talking to customers. With sales and customer service staff, then, it's about interpersonal skills and communication skills. That would be the most important bit.
>
> Company D (retail and facilities management)

96   Although they did not look for particular qualifications as part of their recruitment criteria for the largest occupational group, the companies did recognise the value of qualifications, in particular work-based ones. All four promoted NVQ Level 2 qualifications as a starting point for staff who did not already have this level. In one company, it was felt that Level 3 was more appropriate, even though many staff were recruited with no relevant prior qualifications.

> First Level 2 qualifications will not benefit our business … We need to start working on Level 3 qualifications, management qualifications, Level 3 or 4s.
>
> Company B (print manufacture and distribution)

97   Level 3 was highlighted rather than Level 2 mainly because of the pace of technological change in the sector, and the growing need for staff to have the skills to be able to work flexibly and adapt to new ways of doing things. This fits with the lateral progression pathways highlighted in paragraphs 54–58 and also with the

finding that the most common use of externally accredited qualifications was to extend the range of skills that employees were using in their jobs (paragraphs 115–135).

> Give the people on the shop floor the skills they need to be able to stay in a job. It's fundamentally the thing they need. They need to feel, I'm gonna have a job in a year's time, I'm gonna have a job in three years' time. What we need to do is be able to give them the skills to stay in that job, because otherwise technology will wipe them out.
>
> Company B (print manufacture and distribution)

Retention

98   The survey attempted to gain some understanding of what large companies considered to be important in terms of improving employee retention. A series of questions were asked in which respondents were asked to scale (from 'very important' to 'not at all important') a number of factors that could contribute to improving employee retention. These factors were:

- improving employee commitment and involvement;
- increasing learning and development opportunities;
- increasing pay;
- improving induction;
- increasing benefits;
- improving training for line managers;
- improving work–life balance within the organisation; and
- improving physical working conditions.

99   Over two-thirds of companies felt that each factor was at least 'fairly important' in improving employee retention. Few suggested that any of these factors were 'not very important' or 'not important at all'. There are, however, some interesting distinctions in the factors that were thought to be 'very important' (Figure 6).

100   The most commonly mentioned 'very important' factor overall was 'improving employee commitment and involvement', highlighted by nearly three-quarters (74 per cent) of large companies. This was followed in magnitude by three training and development-related factors: improving training for line managers (70 per cent), increasing learning and development opportunities across the board (66 per cent) and improving induction (55 per cent). The factors that were least likely to be considered 'very important' were increasing benefits (21 per cent) and increasing pay (18 per cent). There were no major differences according to the level of the main occupational group.

Figure 6: Factors cited as 'very important' in improving employee retention

Base: All companies (201)

Source: IES/IFF Survey of large organisations, 2007

101 Across most of the categories, NES members were more likely than non-NES members to report that the different factors were 'very important' in improving employee retention. Some of the greatest percentage point variations in responses relate to: increasing learning and development opportunities (73 per cent of NES members compared with 63 per cent of non-NES members report this as being very important)*;* improving induction (65 per cent compared with 50 per cent); and improving physical working conditions (47 per cent compared with 35 per cent).

102 Evidence from the case studies showed that some of the companies were actively targeting improvements in training as a way to improve staff retention, particularly at the induction stage for new recruits, and among line managers.

Case study: Using improved training to improve retention

Company C (food warehousing and distribution) operates an induction and job skills programme for new starters in its largest occupational group – warehouse staff. This covers a two-week period and the exact content can be tailored, depending on the assessment of workplace trainers (who have all worked in that role in the past). During this period, new joiners learn about quality elements such as stacking and damage control, health and safety, and specific job skills such as order picking and using the scanning equipment. Some elements of the work are assessed, such as using the picking truck. Staff such as order pickers and loaders also spend a day out on deliveries with a driver.

> It familiarises them with the business as a whole and they can see where they fit in and how what they do can impact on the driver's day. It encourages them to see other staff as internal customers and emphasises the importance of providing a good customer service.

In support of this intensive two-week period, new starters also receive three performance reviews within the first 12 weeks of employment.

Alongside this, there is a new focus on improving training and development for supervisors, away from task-based training towards a greater focus on people skills and leadership. The company supports team leader training at Levels 2 and 3, through the Institute of Leadership and Management, which includes a business-based project.

Staff turnover has declined from 47 per cent to 29 per cent over the past two years and this was perceived to be partly as a result of these measures.

Training

103   The survey considered the training strategy adopted by large organisations, focusing on a number of key issues:

- an overview of training plans and how they are developed;

- type of training conducted, use of external accreditation, use of external training providers and the drivers for training;

- an assessment of the benefits of training; and

- opinions on the relative merits of public sector-funded training over training developed in-house.

Investors in People

104   Around six in ten (58 per cent) of the large companies surveyed either had Investors in People (IiP) recognition or were working towards it. Two of the four case study companies had been awarded the IiP standard and another was in the process of applying for it. One of these companies attributed some of the progress it had made over the past couple of years to being able to use IiP as a tool for identifying and addressing development needs within the business, including leveraging greater support for and a more holistic view of training and development among others in senior management.

> It's been very effective as a tool for me personally to move these issues further up the agenda and try to bring about more of a culture change when it comes to training and development. The reporting elements of it mean that we get an opportunity to push development issues, identify target areas and then develop an action plan to address them. We get a lot of added value from the IiP process.
>
> Company C (food warehousing and distribution)

Training Plans

105   Almost all the companies (96 per cent) reported having a training plan. In three-fifths of cases (59 per cent) this covered all employees (Table 16).

Table 16: Whether the organisation produces a training plan, by IiP status

	Full IiP	Working towards IiP	No IiP	Total
	%	%	%	%
Yes, for all employees	67.4	56.0	48.0	59.2
Yes, for some employees	27.2	40.0	49.3	36.8
No	4.3	0.0	2.7	3.0
Don't know	1.1	4.0	0.0	1.0
Total N	92	25	75	192

Base: All companies whose IiP status was known

Source: IES/IFF Survey of large organisations, 2007

106   The development of a training plan linked to business objectives is a key element of the IiP standard. While there was no difference by IiP status in having a training plan, companies that had full IiP status were substantially more likely than those that did not to have a training plan covering *all* their staff (67 per cent compared with 48 per cent).

107   While three-quarters (75 per cent) of NES companies reported that their training plan applied to all employees, the proportion of non-NES companies that suggested this was closer to half (53 per cent).

Development of training plans

108   Around half (49 per cent) of the companies with training plans reported that they were designed jointly by head office and local or regional offices. Only a minority (20 per cent) were designed by head office alone (Table 17).

109   Companies that cited relatively low-level occupations as their largest occupational group were more likely than those citing high-level ones to report that their company training plan was jointly designed by head office and local or regional offices (55 per cent compared with 36 per cent). NES member companies were more likely than non-NES members to report that they developed their training plan jointly (56 per cent compared to 46 per cent), which may be linked to differences in their occupational profile. Conversely, non-NES member companies were more likely than NES companies to rely mainly on local or regional offices (34 per cent compared with 25 per cent).

Table 17: Whether the training plan is designed at a regional or national level

	NES member		Non-NES member		Total	
	N	%	N	%	N	%
Mainly at a local or regional level	15	25.4	45	34.4	60	31.6
Mainly by head office	11	18.6	26	19.8	37	19.5
Equally by regional and head offices	33	55.9	60	45.8	93	48.9
Total	59	100.0	131	100.0	190	100.0

Base: All companies that had a training plan

Source: IES/IFF Survey of large organisations, 2007

Training plans and business objectives

110   Among the companies with training plans, the majority (91 per cent) reported that these plans were linked to specific business objectives.

111   Those companies were asked how they determined which business priorities would require the development of skills in the workforce, and how these fed into the business plan. There was a spectrum of approaches from mainly top-down methods (for example, gap analysis, organisational training needs analysis, cost-benefit analysis) to more consultative, bottom-up approaches (for example, staff surveys and skills scans, appraisals). Many organisations were situated somewhere in the middle of this spectrum, and combined both.

> Training develops on the people we have rather than the priorities of the business. We want our individuals to be trained to carry out the business objectives – like project management – so that they can carry out their role while also meeting their own aspirations.

> It's principally by personal appraisals – each person will have an interview at year end with his immediate line manager and that manager will decide, in agreement with the individual, what training they need … It's not really in conjunction with business priorities, it's for the individuals themselves – it goes on to help with whatever the business needs are.

112   Key factors affecting which business priorities influenced the training plans included: regulatory and/or industry requirements or occupational standards; and client or customer needs (both in terms of projected changes in needs, and in existing service areas where there had been complaints over the year).

> It's looking at the service we need to provide to customers and coming back to what skills we need in the workforce [to do that].

113   Another factor was the introduction of new products or services:

> Previous performance and the requirement of new initiatives – so if we are going to launch a new service we have to know what it will require, to deliver it successfully.

> We look at new products coming online and new machinery and that would determine the training levels we'd need.

114   In such large organisations, determination of which business priorities would influence the training plan was often complex and done at several levels, depending on the way the company was organised along regional or divisional lines:

> It depends on the area and business sector we're dealing with, for example [division X] has different key performance indicators and objectives from [division Y]. It depends on what area it is; there will be regional variations. Each business area training plan will be different: there are regional, national and individual core competencies.

Case study: Developing the company training plan

The case study companies mostly used a mixed approach combining head office and local or regional input. For example, in Company D (retail and facilities management), individual training needs were identified and agreed between staff and their line managers, through annual performance reviews, and then fed back through to the head office.

> We do have a performance development process … [the staff] agree that they have certain development needs that relate to achieving those objectives with their line manager and that is kept in the form of a development plan. We then collate that information and that drives out a schedule of core programmes.

In addition, this had to be set alongside particular business priorities for that year, such as improving business performance or specific aspects of customer service. These more strategic priorities could be planned (such as responding to upcoming legislative or technological change) or more reactive (such as responding to more immediate customer needs as identified by market research). Head office would then collate the results, identify priority training needs, and allocate the training budget for each division, usually on a per head basis.

> They have their pot, but it is up to them on how they want to prioritise that. If they want to spend more, then they need to find that from their own resources.

Types of Training

115   The survey collected information on the types of training activities that large companies conducted, supported or arranged for their largest occupational group. All companies reported that they had conducted, supported or arranged training, most commonly induction training (100 per cent), job-specific training (100 per cent) and health and safety training (98 per cent). Other training activities commonly cited included: training in new technology (89 per cent), supervisory training (86 per cent) and management training (82 per cent).

116   As we might expect, there were some differences between the types of training activities that have been conducted, supported or arranged by main occupational group (Table 18). For example, companies in which the main occupational group usually requires a Level 4 qualification were more likely than those requiring Level 2 qualifications or below to report management training (93 per cent compared with 79 per cent) and training in foreign languages (46 per cent compared with 14 per cent). Companies in which the main occupational group tends to require a Level 3 qualification were the most likely to report supervisory training (93 per cent).

Table 18: Types of training activities that have been conducted, supported or arranged by main occupational group (broad)

	Level 4 occupations		Level 3 occupations		Level 2 or below occupations		Total	
	N	%	N	%	N	%	N	%
Induction training	41	100.0	27	100.0	133	100.0	201	100.0
Health and safety training	39	95.1	26	96.3	132	99.2	197	98.0
Supervisory training	32	78.0	25	92.6	115	86.5	172	85.6
Management training	38	92.7	23	85.2	105	78.9	166	82.6
Training in new technology	38	92.7	24	88.9	116	87.2	178	88.6
Training in foreign languages	19	46.3	5	18.5	19	14.3	43	21.4
Job-specific training	41	100.0	27	100.0	132	99.2	200	99.5

Base: All companies that offered each type of training (varies)

Source: IES/IFF Survey of large organisations, 2007

External accreditation

117   Respondents were asked whether any of the training that had been conducted, supported or arranged for the largest occupational group was externally accredited – defined as 'nationally recognised outside of this organisation'. Just over three-quarters (76 per cent) suggested that at least some of the training offered to their largest occupational group was externally accredited, with NES companies more likely to report the use of externally accredited training than non-NES companies (92 per cent compared to 69 per cent). It is notable that just over two-thirds of non-members still reported they had used some externally accredited training (Table 19).

Table 19: Whether any of the training provided was externally accredited, by NES membership

	NES member		Non-NES member		Total	
	N	%	N	%	N	%
Yes	55	91.7	97	68.8	152	75.6
No	5	8.3	40	28.4	45	22.4
Don't know	0	0.0	4	2.8	4	2.0
Total	60	100.0	141	100.0	201	100.0

Base: All companies

Source: IES/IFF Survey of large organisations, 2007

118   There is some association between the main types of occupations that a company employs and the likelihood of supporting externally-accredited training. Those companies where the main occupational group usually requires higher-level qualifications (for example, Level 4 and above) were slightly more likely to suggest that they used externally accredited training, than those for which qualification needs were more likely to be at Level 2 or below (Table 20).

Table 20: Whether any of the training externally accredited by main occupational group (broad)

	Higher-level occupations		Intermediate-level occupations		Entry Level occupations		Total	
	N	%	N	%	N	%	N	%
Yes	34	82.9	22	81.5	96	72.2	152	75.6
No	5	12.2	5	18.5	35	26.3	45	22.4
Don't know	2	4.9	0	0.0	2	1.5	4	2.0
Total	41	100.0	27	100.0	133	100.0	201	100.0

Base: All companies

Source: IES/IFF Survey of large organisations, 2007

119   Looking at the types of externally accredited training that companies used, the most common related to: job-specific training (72 per cent of those who support accredited training), health and safety training (55 per cent), management training (49 per cent) and supervisory training (45 per cent). With the exception of job-specific training and training in foreign languages, across all the other categories, NES member companies were more likely than non-NES companies to report that the training was accredited (Figure 7).

Figure 7: Type of training that is externally accredited
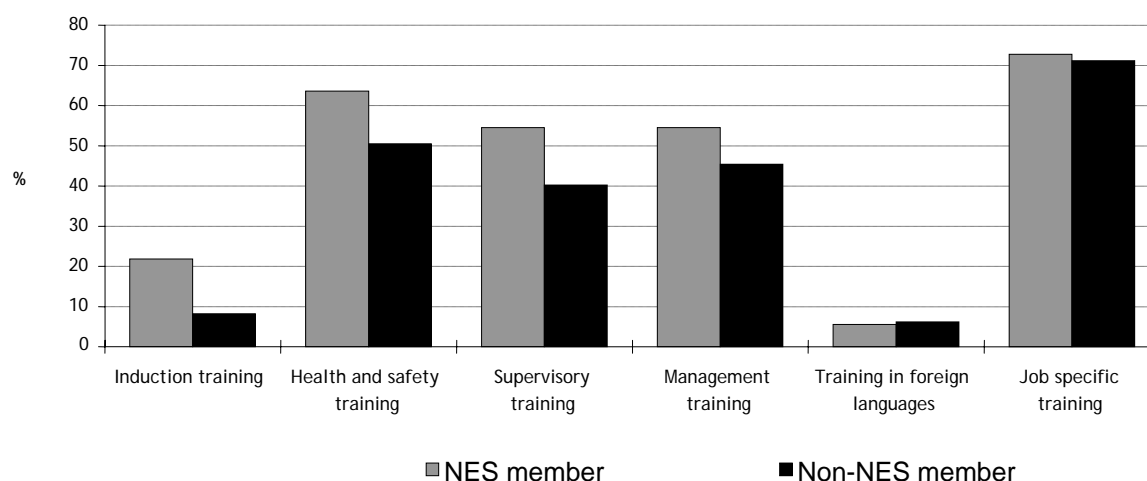
Base: All companies with any externally accredited training (152)

*Source**: IES/IFF Survey of large organisations, 2007*

120   Although we should exercise some caution due to low base sizes, there were also some differences in the types of training that were externally accredited, by broad occupation level. Among those supporting any form of accredited training,

employers whose main occupational group generally requires Level 2 qualifications or below were almost twice as likely to offer externally accredited supervisory courses compared with those whose main occupational group was at Level 4 (50 per cent compared with 27 per cent). They were also more likely to offer externally accredited health and safety training (59 per cent compared with 41 per cent).

Table 21: Types of externally accredited training provided, by main occupational group (broad)

	Level 4 occupations		Level 3 occupations		Level 2 or below occupations		Total	
	N	%	N	%	N	%	N	%
Induction training	3	8.8	2	9.1	15	15.6	20	13.2
Health and safety training	14	41.2	13	59.1	57	59.4	84	55.3
Supervisory training	9	26.5	12	54.5	48	50.0	69	45.4
Management training	15	44.1	12	54.5	47	49.0	74	48.7
Training in new technology	13	38.2	7	31.8	27	28.1	47	30.9
Training in foreign languages	4	11.8	1	4.5	4	4.2	9	5.9
Job-specific training	27	79.4	17	77.3	65	67.7	109	71.7
Don't know	0	-	0	-	2	2.1	2	1.3
Total	34		22		96		152	

Base: All companies offering any externally accredited training

Source: IES/IFF Survey of large organisations, 2007

Main reasons for offering externally accredited training

121   Companies offered such training in order to provide recognition for employees' skills and to motivate employees or attract new staff. It was felt that externally accredited qualifications were more of a 'feather in the cap' for employees in that they could assist career progression (potentially in other companies) but also lead to 'promotability' within that company, in terms of new progression pathways.

It is used a recruitment tool. It also increases learning culture within the organisation and generally helps the staff to achieve their own goals and targets.

Because [these qualifications] are well recognised and people want them, and the better recognised ones lead to better motivation.

51

By providing externally accredited qualifications, we give the staff something over and above to motivate and increase their confidence level to do their job efficiently and effectively, which would not be the same with in-house training.

122 Some companies offered training to meet legislative or industry requirements (such as health and safety regulations) and/or to keep up with the competition.

It's benchmarking against different companies, making sure we provide the industry standard.

[It enables us to] ensure the credibility of the organisation, and to make sure all the technical staff are fully qualified up to the industry standards and to make sure they are in line with the competitors.

123 Another reason was to gain credibility and kudos with clients – accredited qualifications act as a 'badge' of the quality of the company's service.

Our clients recognise the qualifications of the staff and the employees would have more credibility with the clients.

We want to offer better service to our clients and by offering the staff externally accredited qualifications we can fulfil that.

124 Qualifications also offer a better return on investment through reducing costs such as staff turnover or wastage, or because the company can get funding towards the cost.

We've got a fully integrated training programme that maps across to an Apprenticeship and Advanced Apprenticeship, because we wanted skilled, fully trained, motivated people working for us. We want to reduce the labour turnover, reduce the wastage, improve our customer service and therefore our sales.

Case study: Using and improving externally accredited training pathways

Company A (health and social care) provided a raft of nationally accredited qualifications including Apprenticeship frameworks (NVQ, key skills and technical certificates) and stand-alone NVQs. These included Health and Social Care Levels 2 and 3; Customer Service Levels 2 and 3; Administration Levels 2 and 3; Learning and Development Levels 3 and 4; and Management Levels 3 and 4. The foundation for providing externally accredited training was to meet industry standards and government targets for the care workforce:

The Government is saying that you have to have an NVQ if you want to work in care. I think everyone now knows this, so they are all thinking we have to have this NVQ.

However, the company had gone well beyond the minimum requirements. The key drivers for this were:

– to provide a high quality of customer service, and to act as a 'badge' of quality:

> We need to reflect high quality all the way through [so we can effectively say to customers]: Look, all our staff do NVQs, not just in health and social care because it's legislation but customer service, administration, learning and development, and everything else.

– to improve staff retention:

> You could actually benefit by not training, by lifting all the staff that someone else is training. But where does that get you in the end? Because the staff won't stay there very long, they will come back – and they do. We had three people wanting to go back on programmes just this morning.

– to improve the quality of recruitment and become an 'employer of choice' in the sector:

> If they [staff who have progressed to nurse training] spread the word about something good that has happened to them, such as telling others that they ought to go to [our company] where they did their Level 2 and Level 3 Apprenticeships and now they are fully trained nurses, who knows, we could get more staff that way.

Where external qualifications did not fully meet the company's needs, they had developed their own learning development programmes. The core of these programmes consisted of a Level 3 Diploma incorporating NVQ Level 2 or 3, a technical certificate and key skills, plus training on the company's mission and values, policies and procedures, and additional elements.

> The NVQ just wants an awareness of quality and procedure, whereas we need a bit more than awareness, we need people following them and working to them and being able to deal with other people who don't.

The company is currently developing NVQs in six more specialised areas, such as caring for people with dementia.

Reasons for not offering accreditation

125 The main reason for not offering any externally accredited training was that training developed in-house was more focused on meeting business needs:

> The training we offer is designed mainly to meet our specific business needs rather than providing accredited qualifications that the business doesn't need.

> We provide in-house training to the professional staff that is specific to our business needs and for skills that need development, whereas the external accredited qualifications are just off-the-shelf and couldn't meet our business needs.

> The training for the sales and customer service staff is designed to meet our specific business needs so they are trained in-house, and they don't need external accredited training.

126 Other reasons included the length of time and/or bureaucracy involved in developing accredited programmes; the fact that staff used externally accredited training to get other jobs; and that external accreditation was not necessarily viewed as an indicator of quality.

> I don't think it adds value; accredited training programmes usually require the organisation to do additional work and jump through hoops to get the accreditation. Our internal training packages meet the needs of our employees.

> I don't believe in it because I don't think it is an indicator for quality and it is used by people to get other jobs rather than to add value to the process.

Case study: Barriers to the accreditation of in-house training

Two of the case study companies had developed in-house programmes alongside using standard industry NVQs and other qualifications, which they wanted to become accredited. They had developed their own programmes mainly because these were perceived as being more relevant and specific to the business than more 'standard' qualifications. They wanted these programmes accredited because they felt that getting a qualification gave staff more confidence and encouraged them to progress into further learning.

Company D (retail and facilities management) felt that the main barriers to *starting* the accreditation process were internal, and related to lack of staff time and resources to do it:

> One of the things that we would like to do is get our internal programmes accredited but we have just not had the chance to do that. It is on our list as one of the things we would like to do but unfortunately we haven't had the time or resources to do that as yet.

Recognising existing versus developing new skills

127 Companies were divided in their opinion of whether most of the externally accredited training they offered was about recognising or certificating existing skills rather than developing new ones (Figure 8). Opinion was fairly evenly divided, with 42 per cent agreeing with the statement, while 35 per cent disagreed. NES members were more likely than non-NES members to agree strongly (18 per cent compared with 10 per cent), although there were no other significant differences.

Figure 8: Agreement that accredited training offered is about recognising or certificating existing skills rather that developing new ones
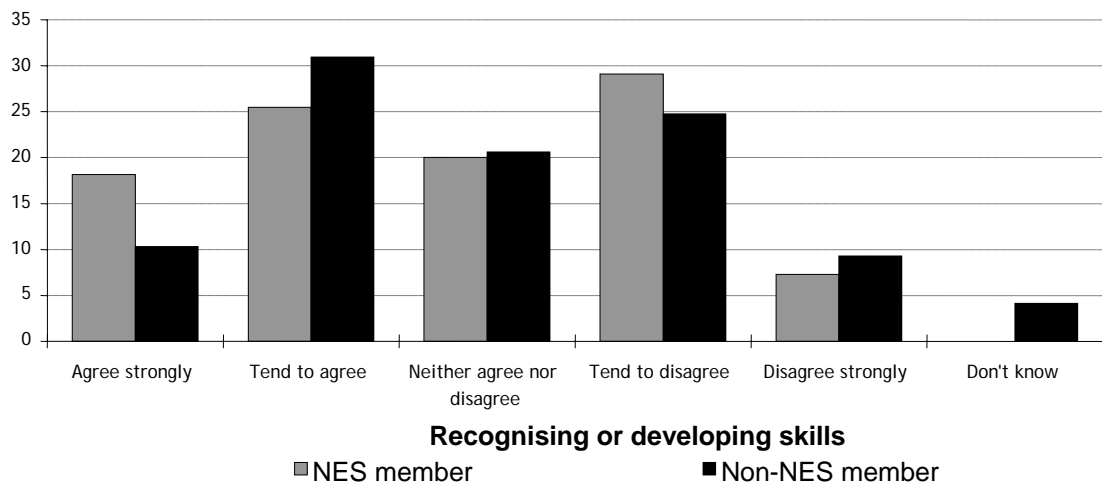
Base: All companies with any externally accredited training (152)

Source: *IES/IFF Survey of large organisations, 2007*

128 Those who agreed that externally accredited qualifications were more about recognising or certificating existing skills than developing new ones said that the training was done to ensure consistency across staff and meet certain minimum standards:

We have a range of staff, ranging from people with no skills to people with necessary qualifications, so we tend to concentrate on existing skills and improve them and make them skilled up to the national standards.

129 Another main reason was that the training was competency-based and therefore based on what people already knew and did in their jobs. It was seen as reaffirming how to do the job, or offering ways to do the same job, better:

The training we do is more competency-based ... it's not skills development, it's assessing what you already know.

Because a lot of the people that we put on the training are very experienced – what the training does, though, is enable them to focus in on the correct and proper way of doing things.

130 In some companies the accreditation was via NVQs, which were viewed as being more about assessment than training:

Lots of NVQs deal with the current level of skills and performance and not developing new skills.

Because for NVQs [the staff] are assessed, they are not trained.

131 Some of those who disagreed that the accredited qualifications they offered or supported were more about recognising existing skills than developing new

ones said that externally accredited qualifications were introduced around new technology or equipment:

It's to develop new skills to be able to do the job properly and meet the challenges of new and increasingly technical equipment.

132   Another main reason for disagreement was that the training was delivered or funded for new recruits or for people who were new to their job role:

Most of the staff are starting from scratch. We do this for development rather for certificating. We want to see people's progression.

133   In some companies the training was used for internal progression and development, and learning new skills was viewed to be more motivating for staff:

Because I think the training that we do is a development tool as opposed to an assessment tool – we use it to bring people up to the next level.

It is giving everyone the ability to enhance their own skills and develop, which is helpful in career succession – it gives more engaged staff and helps with retention.

134   The case study research identified a distinction between employers' views of NVQ Level 2 and NVQ Level 3, in terms of the debate about recognising existing skills versus developing new ones. Generally, they perceived NVQ Level 2 as a means of recognising existing skills and acknowledging that the employee had reached a certain level of competence.

It [supporting training to NVQ Level 2] is predominantly where people haven't had the opportunity to achieve any qualifications academically before they join us. That is the main reason that it happens. It means that we know that people have achieved a certain standard of competence.
Company D (retail and facilities management)

We do NVQ Level 2s for the adults, if they don't already have one. But it's not really training, it's more of an assessment of stuff they already know.
Company B (print manufacture and distribution)

In terms of recognising the skills they have, Level 2 fits perfectly.
Company C (food warehousing and distribution)

135   Level 3 qualifications were perceived as being more of a development tool, in particular at supervisory level, and were being used more as a way of progressing staff skills and equipping staff to deal with changing skill requirements in the future, rather than recognising what they were already doing.

> **Case study: Using Level 3 qualifications to develop new skills**
>
> Company C (food warehousing and distribution) had identified a 'talent pool' of staff with the potential to move into management from within their finance and IT teams, and were developing an introductory Institute for Leadership and Management Level 3 course for them, to develop more commercial awareness and leadership skills. In conjunction with this course, the staff would also spend three weeks in different parts of the business and do project work focusing on business improvement.

Reasons for Training

136   Companies were asked about the main reasons for providing training to the largest occupational group. These included:

- to extend the range of skills used by employees in their current job (48 per cent);

- to improve the skills already used by employees in their current job (35 per cent);

- to increase employees' understanding of, or commitment to, the organisation (22 per cent);

- to improve motivation (21 per cent); and

- to improve customer service (21 per cent).

137   In all the cases except 'technical change' and 'meeting legal or health and safety requirements', NES companies were more likely to cite each factor (Figure 9). NES companies were considerably more likely than non-NES companies to suggest that the main reason for training was to 'extend the range of skills used by employees in their current jobs' (57 per cent compared with 44 per cent) or to 'increase and maintain standards of productivity/performance/morale' (28 per cent compared with 18 per cent).

138   In total, just over half the companies (53 per cent) reported that at least 50 per cent of the training they provided for their largest occupational group was compulsory. This includes one-quarter (26 per cent) which reported that all or almost all of the training was compulsory.

Figure 9: Reasons for training
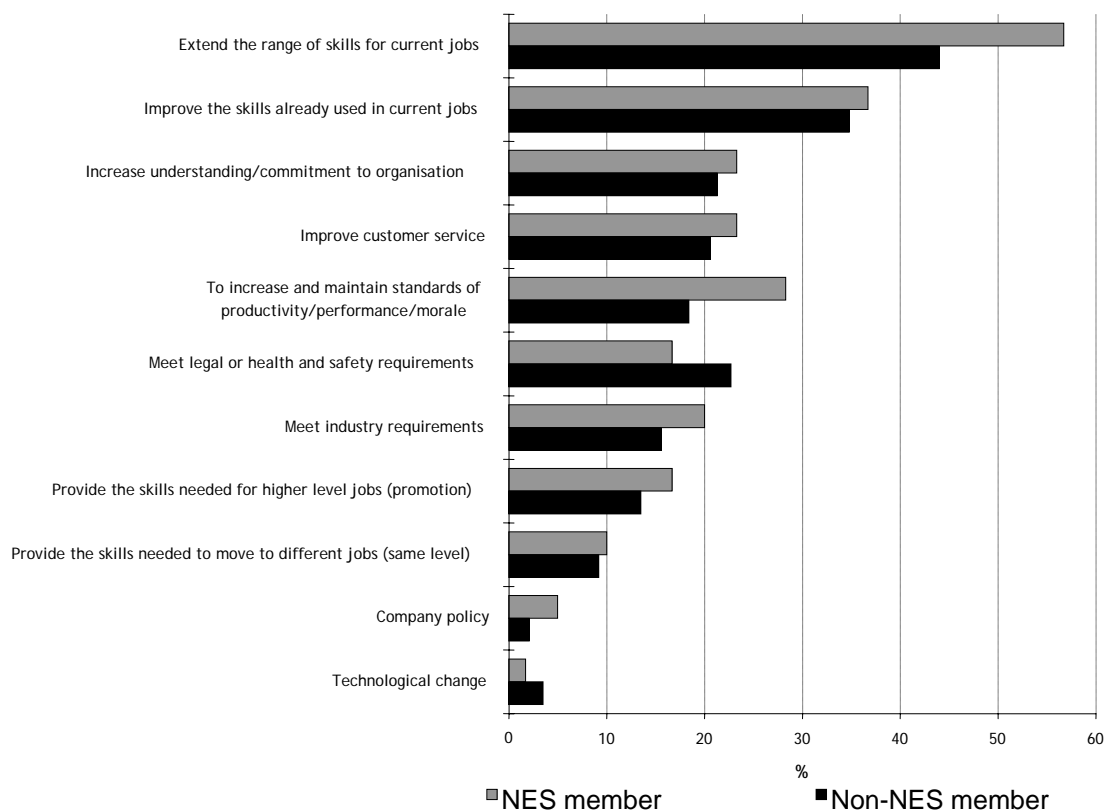
Base: All companies (201)

Source: *IES/IFF Survey of large organisations, 2007*

Assessing the Impact of Training

On individuals

139 The majority (77 per cent) of companies formally assessed the performance of their staff both before and after training had taken place. This was more common in NES companies than in non-NES ones (85 per cent compared with 74 per cent). The methods used centred on appraisals and one-to-ones between staff and their line managers. Other methods included observations, pre- and post-training tests, online skills assessments and formal post-training reviews. One of the case study employers felt that seeing the benefits of training on individual staff was one of the key benefits of investing in training overall:

> You can see the impact on their confidence … you watch the individual get the qualification that they know they deserve, watch them develop. We have a lady who's 42 years old and who's just done her first qualification, a Level 3 NVQ. Her motivation has gone up through the roof.
>
> Company B (print manufacture and distribution)

140   One of the main barriers to assessing the impact of training on individuals' performance was lack of time, especially for line managers doing the assessments:

> Time is a major barrier, how busy the managers and supervisors are, and how much time they can give to do the assessment and we need to depend on them to do the assessment, which may not be effective in some cases.

141   There was also a difficulty in measuring impact on individual performance, in terms of isolating the impact of the training:

> There are loads of barriers – the simplest ones are being able to quantify the actual measures. For instance, if you put someone on a management development course, how do you measure the impact? Some things are easy to measure, some are not.

> You can't isolate factors – people can improve for lots of reasons not to do with the training and you cannot isolate it. That and time.

142   Another barrier was limited capability or buy-in among line managers (which was part of the reason why training for line managers was becoming more important in some of the case study companies):

> We need to depend on the managers' ability to do the assessment; sometimes the managers may not have the capability to do the assessment in an efficient way.

> I think it's about developing the capabilities of the supervisors and making sure their skills are improved.

143   Other, less common, barriers included geographical mobility of the staff involved (for example, some could be mobile or based at a client's site), lack of English-language skills or basic literacy and numeracy to complete questionnaires, and practical issues such as differences in the working patterns between employees and assessors which meant that it was difficult to arrange appointments.

On the company as a whole

144   Around one-half (48 per cent) of the companies had measured the impact of training on their organisation. This varied according to the largest occupational group, with those reporting higher-level occupations (usually requiring Level 4 qualifications and above) significantly less likely to have measured the impact of training than others (Table 22). Just one-quarter had done so (24 per cent) compared with 54 per cent of companies whose largest occupational group consisted of occupations usually requiring Level 2 qualifications or below. It may be that higher-level occupations receive training through methods such as coaching, or as part of individualised continuing professional development (CPD), which are more difficult to evaluate (this was raised as an issue in one of the case study companies).

Table 22: Whether the impact of training has been measured, by main occupational group

	Level 4 occupations		Level 3 occupations		Level 2 or below occupations		Total	
	N	**%**	**N**	**%**	**N**	**%**	**N**	**%**
Yes	10	24.4	14	51.9	72	54.1	96	47.8
No	24	58.5	12	44.4	53	39.8	89	44.3
Don't know	7	17.1	1	3.7	8	6.0	16	8.0
Total	41	100.0	27	100.0	133	100.0	201	100.0

Base: All companies

Source: IES/IFF Survey of large organisations, 2007

145 There was some variation by NES membership, with NES companies more likely than non-NES companies to report having measured impact (63 per cent compared with 41 per cent). To an extent, this is related to the occupation profiles of NES and non-NES companies.

Table 23: Whether the impact of training has been measured

	NES member		Non-NES member		Total	
	N	**%**	**N**	**%**	**N**	**%**
Yes	38	63.3	58	41.1	96	47.8
No	16	26.7	73	51.8	89	44.3
Don't know	6	10.0	10	7.1	16	8.0
Total	60	100.0	141	100.0	201	100.0

Base: All companies

*Source***:** *IES/IFF Survey of large organisations, 2007*

146 Among companies that had measured the impact of training on their organisation (N=96), three-quarters (73 per cent) found it to be significant and positive. A further 18 per cent found it to have been 'marginal and positive', with 5 per cent reporting mixed results. The most common reported benefits were:

- improved productivity (89 per cent);

- improved employee commitment and involvement in the organisation (88 per cent); and

- improved employee morale (88 per cent).

147 Once again, there were differences in the views of NES and non-NES members. In all cases except improving productivity, NES respondents were more likely than non-NES respondents to suggest that training was found to have a beneficial impact (Figure 10). These variations, however, are based on a small number of cases and should be treated with caution.

Figure 10: Main benefits of training as measured by companies

Main benefits of training

■ NES member   ■ Non-NES member
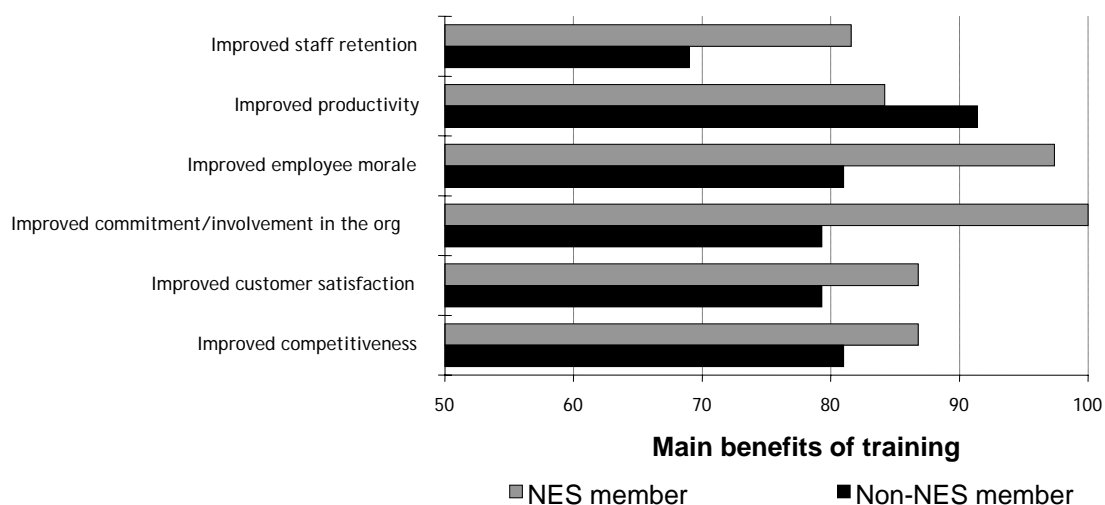
Base: All companies that evaluated the impact of training on their business (96)

Source: *IES/IFF Survey of large organisations, 2007*

148 Very small base sizes mean that it is not possible to draw firm conclusions from analysing the reported benefits of training by broad occupational group. However, the general trend was that companies employing lower-level occupations as their largest occupational group were more likely than those employing higher-level ones to have found benefits. This does not necessarily mean that training for higher-level occupations brought fewer benefits, just that it may have been more difficult to measure these, or that the benefits take more time to accrue.

149 The case study companies acknowledged that it could be very difficult to measure the impact of training, in particular if that training was fairly generic and was not introduced to meet specific company-wide operational objectives (for example, management development), or was based on more qualitative interventions such as coaching. It was felt to be particularly difficult to measure the cost impact of these forms of training, partly because they could take several years to emerge – which meant that it was difficult to isolate the impact of a specific training intervention – and partly because of the amount of administrative time required.

> I can give you questionnaire after questionnaire, how wonderful was [the training]? But how does it affect the bottom line? You don't know how training affects the bottom line for three, four, five years … Training does not give you the return you're looking for, it's not instant gratification.
> Company B (print manufacture and distribution)

> I think it goes back to the thing if you are not clear about what the objectives are. You have got to be really clear about what the objectives are and making sure they are measurable objectives. If you have done that, it is much easier to evaluate it at the end. I think the other thing that makes it

hard is the fact that for us it is a manual process and we don't have a system. You could spend an enormous amount of time doing that so it will actually work.

<div align="right">Company D (retail and facilities management)</div>

150 However, some of the companies had been able to measure the impact of specific interventions and could provide clear-cut examples.

Case study: Measuring the impact of training on the business

Company A (health and social care) had completed a case study review looking at the impacts of training across the business, based on survey data from staff, residents and visitors. It found that the quality of care was rated more highly in homes that had a higher level of trained staff. Training was also found to have improved staff morale and retention (which had reduced induction costs). As well as this there were tangible benefits on business performance. One of these aspects was in record-keeping, which is statutorily very important within the sector:

> Record-keeping is much better, much more accurate … With the Skills for Life programme that goes alongside the Level 2, record-keeping improvement is astounding because they aren't afraid to write any more, so that's a big measurable improvement.

Another more specific intervention was on customer service within the care homes. Market research found that responses to telephone calls at the homes were of mixed quality and it was decided to target improvements in this area by delivering additional telephone training alongside the Customer Service NVQ. This was then tested using 'mystery callers'. The results showed a marked improvement both in the number of rings it took to answer the call and in the quality of the service once it was answered.

Company D (retail and facilities management) has seen staff turnover reduce from 56 per cent to 21 per cent over the past five years:

> That for me is one of the biggest indicators that the investment we have made in learning and development has worked.

As well as this, the company has recently seen the benefits of a targeted training initiative designed to improve customer service, and hence sales.

> Between a year and 18 months ago all of our front-line customer service staff went through a skills development programme around their customer service skills and we saw a significant increase in the amount that customers were spending per transaction. We did see an increase in transaction value as a result of the training. And with the customer and

---

> quality service monitor which is another measure which relates to responses of the staff. The return on resources was massive. Yes, we did do it, but it didn't actually cost us very much to do it because it was done using internal resources.

151 All companies were asked about the perceived benefits of training on their business (as opposed to benefits which had actually been measured). Belief in the benefits of training was extremely high despite the fact that only half the companies overall had measured the impact of it on their organisation. More than nine out of ten felt that training improved productivity (95 per cent), employee morale (95 per cent), employee commitment and involvement in the organisation (92 per cent) and customer satisfaction (92 per cent).

The Use of External Training Providers

152 The survey considered a series of issues related to: the use of external training providers; the methods by which large companies sourced their purchase of external training; their reasons for doing so; and whether the companies were in receipt of public sector funding towards training.

Extent of training delivered by external providers

153 Almost all large companies (93 per cent) used external training providers. Most (30 per cent) suggested that up to 19 per cent of their training was delivered by external organisations, while a further 27 per cent indicated that between 20 and 39 per cent of their training was supplied externally. Only 9 per cent of companies suggested that 'all' or 'almost all' of their training was supplied this way. On average, 32 per cent of training was delivered by external providers.

154 Companies reporting higher-level occupations as their largest occupational group were more likely to use a high volume of external training (Table 24). Around one-third reported that most of their training was delivered by external providers (32 per cent) compared with 18 per cent of those whose largest occupational group tended to require Level 2 qualifications or below.

Table 24: Extent of training delivered by external providers, by main occupational group (broad)

	Level 4 occupations		Level 3 occupations		Level 2 or below occupations		Total	
	N	%	N	%	N	%	N	%
Most/all (60–100%)	13	31.8	5	18.5	22	16.6	40	19.9
Around half (40–59%)	8	19.5	4	14.8	15	11.3	27	13.4
A little/some (1–39%)	18	43.9	17	44.4	81	60.9	116	57.7
None	0	0	0	0	14	10.5	14	7.0
Don't know	2	4.9	1	3.7	1	0.8	4	2.0
Total	41	100.0	27	100.0	133	100.0	201	100.0

Base: All companies that offered any externally accredited training

Source: IES/IFF Survey of large organisations, 2007

155 Overall, there was little difference in the proportion of training provided externally and whether or not the company was a member of the NES.

Sourcing external training

156 In terms of sourcing external training providers, the most common approach was through a mix of head office and local or regional levels (43 per cent). Just over one-third (36 per cent) of those using external providers sourced these solely through head office. Companies developing their training plans centrally were also significantly more likely to source external training providers solely through head office (59 per cent).

157 The main reasons for sourcing external training providers at head office level rather than locally or regionally were:

- to obtain training that is more consistent across different locations (61 per cent);

- to improve cost-effectiveness (31 per cent);

- to input more into the design of the training and/or to tailor training to the company's needs (25 per cent); and

- to access better quality training (25 per cent).

158 NES companies were more likely than non-NES ones to identify consistency and quality as reasons for sourcing external providers at head office level, while non-NES companies were more likely to quote cost effectiveness and the ability to tailor training as their key reasons. The small number of cases (N=67) means these results should be treated with caution.

Figure 11: Why are external training providers sourced nationally?
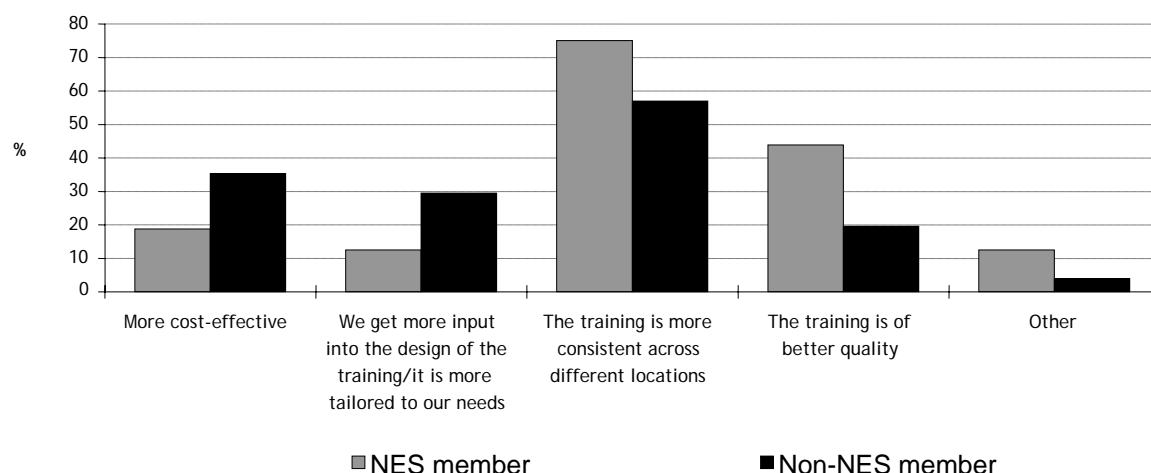
Base: All companies sourcing external training providers solely via head office (67)

*Source***:** *IES/IFF Survey of large organisations, 2007*

Public sector funding towards training

159   Nearly four in ten (38 per cent) of those using external providers reported that they receive some form of public sector funding towards this (Table 25). NES companies were more likely than non-NES companies to say they received some form of public sector funding (55 per cent compared with 31 per cent).

Table 25: Whether or not use of external training provider was supported through public sector funding

	NES member		Non-NES member		Total	
	N	%	N	%	N	%
Yes	29	54.7	42	31.3	71	38.0
No	21	39.6	76	56.7	97	51.9
Don't know	3	5.7	16	11.9	19	10.2
Total	53	100.0	134	100.0	187	100.0

Base: All companies using external training providers

*Source***:** *IES/IFF Survey of large organisations, 2007*

160   Companies that provided externally accredited training through external providers were also more likely than those that did not to receive public funding (41 per cent compared with 28 per cent).

Public Sector-funded Training Versus Training Developed In-house

161   The final area of investigation concerning training related to the views of large companies on the value of public sector-funded training over training provision that was developed in-house. In the survey, public sector-funded training was defined as training that was funded or part-funded by government, the LSC, the European Union, or other public bodies.

162   The majority felt in-house training was better than public sector-funded training, for a mix of positive and negative reasons. Predominantly, the main reasons were positive and centred on the extent to which in-house training was more closely tailored to meet the company's needs:

> At the moment we don't get as good a value for money from the public sector; it's not in line with specific company requirements. It's down to course composition. If you're a college and there's people on a course, there's only so many people from one organisation, so it becomes general, but if it's for a specific organisation it becomes tailored to that organisation's needs.

> Generally, we think it's not been as flexible for what we want, because it tends to focus on qualifications on paper rather than what people do.

163   Some companies felt that in-house training was more flexible and up-to-date than that supported via public-sector funding:

> They don't run at industry pace.

> Ours is superior because the trainers are experts and professionals in social care. Colleges don't even get the terminology right – we're more up-to-date than them because we're in the industry.

164   A minority regarded public sector-funded training as involving too much bureaucracy and being too inconsistent across different providers and geographical areas.

165   However, some companies felt public sector-funded training was very good, especially for specific types of qualification or subject areas (for example, Apprenticeships, IT) and, where preferred, this was primarily because it offered nationally recognised qualifications or qualifications that meant the company could meet certain industry requirements. Some commented that public sector-funded provision was at its best when the company had been able to input into the design of the training:

> Our most recent experience was that it was very good, but that was because we had input in the design of the training. It wasn't a case of it being off-the-shelf training, we got what we wanted but it was part-funded. Generally we find in-house to be more specific to our needs, but the problem is getting accreditation for in-house training.

Ways to tailor public sector-funded training more closely to employer needs

166 Respondents were asked how public sector-funded training could be more closely tailored to their company's needs. A key message was that there was a need for more flexible funding streams with less (perceived) bureaucracy and a more cohesive infrastructure for distributing funds. Some employers felt there were too many different organisations involved.

> More flexibility would help, trying to streamline the [funding] processes.

> The bureaucracy in getting funding could be made more liberal and the funding could be delivered more flexibly.

> The bureaucracy and the amount of paperwork we need to do could be made more flexible.

167 Respondents also indicated that there was a need for more employer-specific and bespoke training provision. This did not just apply to the content of training but also to how, when and where it was delivered.

> If you were doing public sector-funded training you would want it to be either industry- or business-specific. At the moment it is neither, so being industry-specific would be a step in the right direction.

> I think the problem is training is job-specific rather than company-specific, so it's not that closely linked to our requirements.

168 It was felt that the main way of achieving this was via greater consultation with employers.

> Only by coming and talking or observing what we do. Just by talking more to the organisations. It's very difficult because you are probably talking to large numbers of different sectors and trying to find a common denominator.

> Better communication with the employer to understand their business and training requirements and flexibility over how the training is delivered to them.

169 Another need specified was enhanced flexibility in terms of eligibility for public sector-supported training. Some employers felt that only funding a first NVQ Level 2 was limiting for people (generally adults) who needed or wanted to retrain for a different occupation or industry.

> By funding training specific to the job as opposed to funding training previously received in a completely different job – public sector funding is for things like NVQ Level 2, but if a person has the equivalent of NVQ Level 2 in a different industry he or she will not be funded again which means that the funding is not industry-specific.

> The Government and the LSC will only fund the first NVQ Level 2 ... a 17-year-old can do it in flower arranging but at age 20 decide it's not for them, at age 30 they [the Government] won't fund [training in a different

qualification] because they already have NVQ Level 2 but in something that is no longer relevant to them.

Case study: Getting the most out of working with external training providers

At the time of the case study visit, Company C (food warehousing and distribution) was trying to broaden the range of external training providers it worked with, via support from a Train to Gain broker. The employer felt that the plethora of external providers was huge and that using a broker as a single 'port of call' for advice to identify a range of quality services was a huge step forward. Through the broker he was starting to work with providers to adapt their off-the-shelf training more to suit the needs of his business. He felt that providers of public sector-funded training needed to focus not so much on what they were delivering, but on what employers wanted them to deliver.

Policy Issues

170   The survey and case studies also covered employers' views on important skills policy issues, including:

- views on the balance of responsibility for training between employers, individuals and government;
- views on the responsibility for funding ESOL courses;
- employer understanding of the concept of 'demand-led training'; and
- employer understanding of and views on the Government's Skills Pledge.

Responsibility for Developing Skills in the Workforce

171   There are mixed opinions about the balance of responsibility for developing the workforce, split between mainly in-house and a mix of in-house and public sector provision. The prevailing view was that the public sector had a responsibility to ensure a basic level of skills – for example, literacy, numeracy and up to Level 2 qualifications – while in-house provision could look after the rest.

> We have more responsibility in developing our workforce than the public sector; however, if certain employees do not have some basic qualifications, it lets them down in getting a job, so the public sector should provide training in getting basic qualifications and should pay for it.

> In-house we have more responsibility in developing our workforce; however, academic skills, and other basic skills such as literacy, numeracy and language skills, should be supported by the public sector and government should pay for it.

> Health and safety and corporate governance should be supported by the public sector, soft skills and other development skills should be supported by the in-house training.

172   Some highlighted that public sector-funded training was too age-restricted and should be targeted in areas of skills shortage:

> Where it is at the moment is about 100 per cent in-house. Where it should be at is 50:50. What should be supported by the public sector are the scarce skills, the ones we really need in the country, particularly in technical trades. There's a massive scarcity of trades training for adults, they do Apprenticeships for kids, but there is very little that's free for anyone over 25.

173   A small number felt that support for public sector-funded training should be focused on SMEs rather than large companies, because large companies needed less government support:

> With a company as big as this, I don't think they should be draining the public pot. With smaller companies it's a different issue – they need all the help they can get.

English for Speakers of Other Languages Training

174   Opinion was divided about who should pay for additional English-language training needed by overseas workers to perform their job. Around one-third (34 per cent) thought it should be government and a similar proportion thought it should be the employer (32 per cent).

175   We might expect that responses to this question would be related to the extent of a company's overseas recruitment. Interestingly, however, employers who actively recruit from overseas were more likely than those who did not to suggest that the employer should bear the cost of ESOL training (39 per cent compared with 26 per cent) (Table 26). Those who did not recruit from overseas were more likely to regard responsibility for the costs of such training to rest with the individual concerned.

Table 26: Who should bear the costs of ESOL training by whether they recruit from overseas

	Recruits from overseas		Does not recruit from overseas		Don't know		Total	
	N	%	N	%	N	%	N	%
The employer	34	39.1	28	26.2	3	42.9	65	32.3
The individual concerned	15	17.2	31	29.0	1	14.3	47	23.4
Government	33	37.9	36	33.6	0	0.0	69	34.3
Other	3	3.4	7	6.5	0	0.0	10	5.0
Don't know	2	2.3	5	4.7	3	42.9	10	5.0
Total	87	100.0	107	100.0	7	100.0	201	100.0

Base: All companies

Source: *IES/IFF Survey of large organisations, 2007*

Views on 'Demand-led' Training

176   Employers were asked what they understood by a more 'demand-led' education and training system. Responses were mixed, and mainly related to the following.

- More focus on employer and employee needs:

   Listening to the employer. We are an employer who is already engaged, we know the problems that we have. If they [the Government] want to engage other employers, then they should be listening to us.

   Talking to employers more and understanding their business needs and by matching the demands of the economy and also the skills required in the industry as a whole.

- Keeping training more up-to-date and responsive:

  In terms of flexibility it means speed. That would equal less bureaucracy. That would be key because that slows everything down – it's two years before anything is met, by which time everything's changed.

- Improved customer service and/or focus from training providers towards employers and individuals:

  They should try and be more responsive to organisations' requirements and arrange programmes to meet the key needs of the organisation.

- Wider access to funding, and less bureaucracy:

  More consultation with the employer to understand their needs, greater flexibility of government provision support given to the employer, flexibility on how the funding is provided to the employer and less bureaucracy.

- Greater responsibility and accountability among employers themselves for the quality of training:

  Employers having more responsibility and accountability for the quality of training provision and that training provision has the ability to externally accredit internal training.

  I'd like it to mean – we ought to be able to go to the LSC [and say],we have a package and we would like you to fund it, instead of the LSC saying that they have a package off the shelf that we have to adhere to.

The Skills Pledge

177 At the time of the survey (June–August 2007), around half the companies (52 per cent) had heard of the Skills Pledge. It should be noted that this was just two months after the Skills Pledge's launch. Table 27 shows that NES members were much more likely than non-NES members to recognise the term at that time (88 per cent compared with 37 per cent).

Table 27: Whether or not respondent has heard of the Skills Pledge

	NES member		Non-NES member		Total	
	N	%	N	%	N	%
Yes	53	88.3	52	36.9	105	52.2
No	7	11.7	87	61.7	94	46.8
Don't know	0	0.0	2	1.4	2	1.0
Total	60	100.0	141	100.0	201	100.0

Base: All companies

Source: *IES/IFF Survey of large organisations, 2007*

178   Among those who had heard of the Skills Pledge, most agreed with it, at least in principle. Some of the issues raised were the following.

- NVQ Level 2 was a 'starting point' or a 'minimum':

  It's probably not high enough – Level 2 should be the absolute minimum for everybody.

- There should be greater flexibility and scope to accredit existing in-house provision:

  The Government has to show flexibility in accepting companies' internal training courses … but if it doesn't carry an NVQ badge it's not classed as part of this pledge.

- Becoming qualified to at least Level 2 should not be compulsory for all staff – individuals must want to do training for themselves and not feel forced into it:

  Firstly I think it would be a mammoth thing to deliver and facilitate. I don't think it should be down to the employer to manage, but it should be the individual's responsibility – they have got to want to go to that level of qualification – you can't force them.

179   The main reservation about the Skills Pledge was whether its objectives (that is, that all staff should be supported to achieve at least a Level 2 qualification) would also meet business needs. Some employers were concerned that business needs should always take priority, or that it was not an employer's responsibility to ensure that everyone had a certain level of qualification:

  If that Level 2 qualification benefits the business, it's fine; if not, it's irrelevant.

  It's not the duty of the employer to educate the skills force to a minimum qualification, the Government should educate people to a certain level, and the employer should take them on and train them according to business needs and requirements.

Annexes

Annex 1: Large Employers' NES Questionnaire

J4385

<div align="right">

Large Employers' NES Questionnaire   June 2007

</div>

Start time:	
Company name:	
Respondent:	
Job title:	
Interviewer:	

<u>Introduction and Screening</u>

Good morning / afternoon, my name is XXX calling from IFF Research, an independent research organisation, on behalf of the national Learning and Skills Council. We are conducting a major research project on very large employers' recruitment and training practices, and their views about these and other human resource issues.

IF NES RESPONDENT FROM SAMPLE

You may have already received a letter about this research from the LSC.

ALL

The information will be used to help the LSC gain greater insight into the views of very large employers and tailor its services to meet business needs. The research will be published later in the year and will be available on the LSC's website.

> *ADD IF NECESSARY:*
> ➢ All information collected will be treated in the strictest confidence. Responses will not be attributed to any individual or company. Results will be reported in the form of aggregated statistics.
> ➢ We work strictly within the Market Research Society Code of Conduct.
> ➢ Contacts at IFF Research are Emma Hollis / Katie Carter if they would like to find out more about the survey (020 7250 3035).
> ➢ [IF NOT NES RESPONDENT FROM SAMPLE] Establishments have been randomly chosen from Dun and Bradstreet's commercial business directory.
> ➢ [IF NES RESPONDENT FROM SAMPLE] Your contact details have been supplied by NES.

S1) **Can I just check, do you have a good overview of recruitment and training issues across this organisation?**

Yes	1	GO TO S2
Hard appointment	2	Make appointment
Soft appointment	3	
No	4	GO TO S1a
Refusal	5	Thank and close

IF S1/4

S1a) **Could I speak to the person who has the best overview of recruitment and training issues across the organisation?**

TAKE NAME AND JOB TITLE _____

Yes – transferred	1	Re-ask Introduction
Hard appointment	2	Make appointment
Soft appointment	3	
Yes – contact details given	4	Record contact details
Refusal	5	Thank and close

Section A – Background

ASK ALL

A1) **To start with I would just like to ask you a few questions about your organisation. All questions relate to your operations in the UK rather than to your organisation's activities globally.**

Is your organisation … READ OUT. SINGLE CODE.

Exclusively UK based?	1
Does it have some overseas offices but is mainly based in the UK?	2
Or is it fully multinational?	3
(DO NOT READ OUT) DON'T KNOW	4

A2) **Are your UK operations based on one site or based on more than one site?**

SINGLE CODE

One site	1
More than one site	2
(DO NOT READ OUT) DON'T KNOW	3

A3) **Approximately how many people does your organisation employ in England?**

WRITE IN NUMBER _____

DON'T KNOW…..X [ASK A3a]

IF A3/X
A3a) **Would you estimate that your organisation employs in England …** READ OUT.
SINGLE CODE.

Less than 1,000 people	1
1,000 to 2,999	2
3,000 to 4,999	3
5,000 to 9,999	4
10,000 to 14,999	5
15,000 to 19,999	6
20,000 to 24,999	7
25,000 or more	8
(DO NOT READ OUT) DON'T KNOW	9

A3b) **And approximately how many people does your organisation employ in the UK as a whole?**

WRITE IN NUMBER _____

DON'T KNOW…..X [ASK A3a]

IF A3b/X
A3c) **Would you estimate that your organisation employs in the UK …** READ OUT.
SINGLE CODE.

Less than 5,000 people	1
5,000 to 9,999	2
10,000 to14,999	3
15,000 to 19,999	4
20,000 to 24,999	5
25,000 or more	6
(DO NOT READ OUT) DON'T KNOW	7

A4) **And what does your organisation mainly make or do?**

PROBE AS NECESSARY, RECORD VERBATIM – MUST CODE TO FOUR DIGIT SIC

_____

A5) **Is your organisation UK owned or foreign owned?**

SINGLE CODE

UK owned	1
Foreign owned	2
(DO NOT READ OUT) DON'T KNOW	3

A6) **Is your organisation working towards, or do you have, Investors in People recognition?**

SINGLE CODE

Working towards Investors in People recognition	1
Has Investors in People recognition	2
Neither	3
(DO NOT READ OUT) DON'T KNOW	4

A7) **I'm going to read out a list of occupational groups that you may have working within your organisation. Please tell me which of these groups you have working in your organisation in the UK.**

CODE ALL THAT APPLY

Professional occupations (excluding managers and directors) *ADD AS NECESSARY:* **Professional occupations will almost always require a degree or equivalent formal qualification. Some occupations will require postgraduate qualifications and/or a formal period of experience-related training. This categorisation includes high-level occupations in the natural sciences, engineering, life sciences, social sciences, humanities and related fields where job-holders will be:** - **practically applying extensive theoretical knowledge;** - **increasing the stock of knowledge through research;** - **communicating knowledge by teaching.** [IF 'MANUFACTURING' (SIC ON SAMPLE: 01 to 45) *ADD AS NECESSARY*: **including professional engineers, software and IT professionals, accountants, chemists and scientific researchers**	1

[IF 'SERVICES' (SIC ON SAMPLE: 50 to 74 & 93) *ADD AS NECESSARY:* **including solicitors and lawyers, accountants, IT professionals, economists, architects, actuaries, doctors, engineers]**	1

Associate professional and technical operations *ADD AS NECESSARY:* **Occupations in this group will usually require an associated high-level vocational qualification, often involving a substantial period of full-time training or further study. Main tasks require experience and knowledge to assist in *supporting* professionals or managers.** [IF 'MANUFACTURING' (SIC ON SAMPLE: 01 to 45) *ADD AS NECESSARY*: **including science and engineering technicians, lab technicians, IT technicians, accounting technicians**.] [IF 'SERVICES' (SIC ON SAMPLE: 50 to 74 & 93) *ADD AS NECESSARY*: **including insurance underwriters, finance and investment analysts and advisers, writers/journalists, buyers, sales reps, estate agents, train drivers/pilots, graphic designers, fitness instructors**.] *ADD AS NECESSARY:* **Most professionals in the arts, design, media or sports fields will be in this group.** *ADD AS NECESSARY:* **Architects, surveyors, engineers, chartered accountants and management consultants SHOULD NOT be included in this group. They should be categorised as PROFESSIONAL OCCUPATIONS.**	2
Administrative and secretarial occupations	3
Skilled trades occupations *ADD AS NECESSARY*: **Skilled trades occupations require a substantial period of training. Main tasks involve the performance of complex physical duties that normally involve initiative, manual dexterity and other practical skills.** *ADD AS NECESSARY*: **including electricians, motor mechanics, machine setters/tool makers, TV engineers, plumbers, carpenters, plasterers, printers, chefs, butchers, furniture makers.** *ADD AS NECESSARY*: **Science and engineering technicians SHOULD NOT be included in this group. They are categorised as ASSOCIATE PROFESSIONAL AND TECHNICAL OCCUPATIONS.**	4

Personal service occupations *ADD AS NECESSARY:* **Personal service occupations involve the provision of service to customers whether in a public protective or personal care capacity. Main tasks usually involve the care of the sick, elderly and children and the provision travel care and hygiene services. These job-roles generally require a good standard of general education.** [IF 'MANUFACTURING' (SIC ON SAMPLE: 01 to 45) *ADD AS NECESSARY*: **including such occupations as care assistants, nursery nurses.**] [IF 'SERVICES' (SIC ON SAMPLE: 50 to 74 & 93) *ADD AS NECESSARY*: **including travel agents, travel assistants, sport and leisure assistants, hairdressers and beauticians, nursery nurses/childminders, housekeepers.**]	5
Sales and customer service occupations *ADD AS NECESSARY:* **Sales and customer services occupations require knowledge and experience necessary to sell goods and services, accept payment and replenish stocks, provide information to potential clients and additional services to customers after the point of sale.** *ADD AS NECESSARY*: **including sales assistants and retail cashiers, telesales, call centre agents, customer care occupations.** *ADD AS NECESSARY:* **Buying and purchasing officers, sales representatives, estate agents or auctioneers SHOULD NOT be included in this group. These should be categorised as ASSOCIATE PROFESSIONAL AND TECHNICAL OCCUPATIONS.**	6
Process, plant and machine operatives *ADD AS NECESSARY*: **Process, plant and machine operative occupations require knowledge and experience to operate vehicles and other mobile and stationary machinery, and monitor industrial and plant equipment, or to assemble products**. **Most will not have a particular standard of education but will usually have formal experience related training.** *ADD AS NECESSARY*: **All transport and mobile machine drivers (except train drivers) belong in this group.** *ADD AS NECESSARY*: **including plant and machine operators plus routine operatives (sorters, assemblers) and HGV, van, fork lift, bus, taxi drivers.**	7

Elementary occupations *ADD AS NECESSARY:* **Elementary occupations require knowledge and experience necessary to perform mostly routine tasks usually involving use of simple hand-held tools and in some cases physical effort. Most do not require formal educational qualifications.** [IF 'MANUFACTURING' (SIC ON SAMPLE: 01 to 45) *ADD AS NECESSARY*: **including labourers, packers, goods handling and storage staff, security guards, cleaners.**] [IF 'SERVICES' (SIC ON SAMPLE: 50 to 74 & 93) *ADD AS NECESSARY*: **including bar staff, shelf fillers, kitchen/catering assistants, waitresses, postal workers, cleaners, dry cleaners, goods handling and storage staff, security guards.**]	8

A8)   **And which would you say is the largest group in terms of employee numbers?**

SINGLE CODE. JUST SHOW CODES ANSWERED AT A7

Professional occupations	1
Associate professional and technical operations	2
Administrative and secretarial occupations	3
Skilled trades occupations	4
Personal service occupations	5
Sales and customer service occupations	6
Process, plant and machine operatives	7
Elementary occupations	8

A9)   **I'd now like to ask a few questions about the nature of the work that your** [INSERT OCCUPATION FROM A8] **staff do.**
To what extent would you say that [INSERT OCCUPATION FROM A8] **staff in your organisation have variety in their work? …** READ OUT. SINGLE CODE.

A lot	1
Some	2
A little	3
None	4
(DO NOT READ OUT) DON'T KNOW	5

A10) **And to what extent do** [INSERT OCCUPATION FROM A8] **staff in your organisation have discretion over how they do their work? …** READ OUT. SINGLE CODE.

A lot	1
Some	2
A little	3
None	4
(DO NOT READ OUT) DON'T KNOW	5

A11) **And to what extent would you say** [INSERT OCCUPATION FROM A8] **staff in your organisation have involvement in decisions over how their work is organised? …** READ OUT. SINGLE CODE.

A lot	1
Some	2
A little	3
None	4
(DO NOT READ OUT) DON'T KNOW	5

Section B – Recruitment

B1 – Recruitment Sources

ASK ALL

B1a) I'd now like to ask you some questions about recruitment in your organisation in the UK as a whole. To the best of your knowledge, does your organisation actively recruit any employees from overseas?

Yes	1	GOTO B1b
No	2	GOTO B2a
(DO NOT READ OUT) DON'T KNOW	3	

IF B1a/1

B1b) Which occupations do you actively recruit from overseas?

RECORD VERBATIM

_____

IF B1a/1

B1c) What are the reasons for actively recruiting these types of staff from overseas?

DO NOT READ OUT. CODE ALL THAT APPLY.

Can't get enough staff with the right level or type of skills we need in the UK	1
Staff from overseas tend to work harder than staff from the UK	2
It is more cost-effective for us to recruit these staff from overseas	3
Staff from overseas have better attitudes towards the job/take more pride in their work	4
Other (specify)	5
(DO NOT READ OUT) DON'T KNOW	6

B2 – Recruitment Practices and Preferences

ASK ALL

B2a) Thinking about your [INSERT OCCUPATION FROM A8] **staff, which of these statements best describes your approach to filling vacancies in your organisation?**
… READ OUT. SINGLE CODE.

Only internal applicants are considered	1	GOTO B2b
Internal applicants are given preference, other things being equal, over external ones	2	
Internal and external applicants are considered equally	3	GOTO B2c
External applicants are given preference, other things being equal, over internal ones	4	
Only external applicants are considered	5	
(DO NOT READ OUT) DON'T KNOW	6	

IF B2a/1 OR IF B2a/2

B2b) **Why do you prefer to recruit internal applicants?**

PROBE FULLY. RECORD VERBATIM.
_____

IF B2a NOT 1

B2c) **Thinking of your** [INSERT OCCUPATION FROM A8] **staff, what would you describe as your organisation's main sources of recruitment?** DO NOT READ OUT. PROBE (e.g. Any others?). CODE ALL THAT APPLY.

Local or regional newspapers	1
Trade, professional or specialist press	2
Internal notices	3
Jobcentre/Employment Service office	4
Careers Service (school/college/university)	5
Fee-charging, private employment agencies	6
Direct approach to potential recruit(s)	7
Replying to speculative applications	8
Recommendation or enquiry by existing employee	9
Word of mouth	10
Other (specify)	11
(DO NOT READ OUT) DON'T KNOW	12

IF B2a/NOT 1 AND >1 response at B2c

B2d) **And which one of these would you describe as your main recruitment source?**

SINGLE CODE. ONLY SHOW ANSWERS FROM B2c

Local or regional newspapers	1
Trade, professional or specialist press	2
Internal notices	3
Jobcentre/Employment Service office	4
Careers Service (school/college/university)	5
Fee-charging, private employment agencies	6
Direct approach to potential recruit(s)	7
Replying to speculative applications	8
Recommendation or enquiry by existing employee	9
Word of mouth	10
Other (specify)	11
(DO NOT READ OUT) DON'T KNOW	12

IF B2a NOT 1

B2e) **About how long does it normally take before new** [INSERT OCCUPATION FROM A8] **employees are able to do their job as well as more experienced employees already working in those roles? …** READ OUT. SINGLE CODE.

One week or less	1
More than one week, up to one month	2
More than one month, up to six months	3
More than six months, up to one year	4
More than one year	5
(DO NOT READ OUT) DON'T KNOW	6

ASK ALL

B2f) **Focusing on** [INSERT OCCUPATION FROM A8] **staff, which of the following are you looking for when recruiting these employees?**

READ OUT. CODE ALL THAT APPLY.

Specific/technical skills (e.g. job-specific competencies, IT, language skills)	1
Generic skills (e.g. customer-facing, team working, leadership, managerial skills)	2
Particular qualification or level or qualifications	3
Particular type or number of years' work experience	4
Motivation and/or attitude	5
Other things (specify)	6
(DO NOT READ OUT) DON'T KNOW	7

IF >1 answer (1–6) at B2f

B2g) **And which one of these is the most important?**

SINGLE CODE. DO NOT ALLOW RESPONSE NOT CODED AT B2f.

Specific/technical skills (e.g. job-specific competencies, IT, language skills)	1
Generic skills (e.g. customer-facing, team working, leadership, managerial skills)	2
Particular qualification or level or qualifications	3
Particular type or number of years' work experience	4
Motivation/attitude	5
Other (specify)	6
(DO NOT READ OUT) DON'T KNOW	7

IF B2f/1 OR IF B2f/2

B2h) **How important or unimportant are each of the following in helping you to assess the extent to which a potential** [INSERT OCCUPATION FROM A8] **recruit has the skills you need? Are each of the following: very important; fairly important; neither important nor unimportant; not very important; or not important at all?**

READ OUT. CODE FOR ALL.

	Very important	Fairly important	Neither important nor unimportant	Not very important	Not important at all	(DO NOT READ OUT) DON'T KNOW
i) The interview process	1	2	3	4	5	X
ii) The use of assessment centres	1	2	3	4	5	X
iii) The use of personality or aptitude tests	1	2	3	4	5	X
iv) The use of performance or competency tests	1	2	3	4	5	X
v) The qualifications they have	1	2	3	4	5	X
vi) The previous work experience they have	1	2	3	4	5	X
vii) Are any other methods or processes very or fairly important? (Specify)	1	2				X

IF B2f/3 OR IF B2h_v/1 OR 2

B2i) **Generally speaking, which of the following qualifications are you looking for among** [INSERT OCCUPATION FROM A8] **staff? …** READ OUT. CODE ALL THAT APPLY.

Level 4 or 5 qualifications (e.g. at least a degree or NVQ 4 or their equivalent)	1
Level 3 qualifications (e.g. two or more A-levels or NVQ 3 or their equivalent)	2
Level 2 qualifications (e.g. five GCSEs A* to C or NVQ 2 or their equivalent)	3
Level 1 qualifications (e.g. five GCSEs D to G or NVQ 1 or their equivalent)	4
Professional qualifications (specify)	5
Other qualifications (specify)	6
(DO NOT READ OUT) DON'T KNOW	7

ASK ALL

B2j) **Thinking about your** [INSERT OCCUPATION FROM A8] **staff overall, to what extent do you agree or disagree that qualifications are generally a good indication of the skills you need from those staff? Do you …** READ OUT. SINGLE CODE.

Agree strongly	1	GOTO B2k
Tend to agree	2	
Neither agree nor disagree	3	GOTO C1
Tend to disagree	4	GOTO B2l
Disagree strongly	5	
(DO NOT READ OUT) DON'T KNOW	6	GOTO C1

IF B2j/1 OR B2j/2

B2k) **And why is that?**

PROBE FULLY (i.e. What skills are picked up well by qualifications?)

RECORD VERBATIM.

_____

IF B2j/4 OR B2j/5

B2l) **And why is that?**

PROBE FULLY (i.e. What skills are picked up less well by qualifications?)

RECORD VERBATIM.

_____

Section C – Training

C1 – Training Strategy and Plans

ASK ALL.
I'd now like to ask some questions about how training is planned at your organisation.

C1a) **Does your organisation produce training plans that specify in advance the level and type of training your employees will need in the coming year for …** READ OUT. SINGLE CODE.

Some employees	1	IF A2/2 GOTO C1b, otherwise GOTO C1c
All employees	2	
None	3	GOTO C2a
(DO NOT READ OUT) DON'T KNOW	4	

IF (C1a/1 or C1a/2) AND IF A2/2
C1b) **Are the training plans …** READ OUT. SINGLE CODE.

Designed mainly at a regional or local level	1
Designed mainly by head office	2
Or do both have equal input?	3
(DO NOT READ OUT) DON'T KNOW	4

IF C1a/1 or C1a/2
C1c) **Is the organisation's training plan linked to specific business objectives over the coming year?**

SINGLE CODE.

Yes	1	GOTO C1d
No	2	GOTO C2a
(DO NOT READ OUT) DON'T KNOW	3	

IF C1c/1
C1d) **How does your organisation determine which business priorities require the development of skills in the workforce?**

PROBE FULLY. RECORD VERBATIM.

_____

C2 – Training Practices and Preferences

C2a) ASK ALL.
I'd now like to ask some questions that focus specifically on your [INSERT OCCUPATION FROM A8] **employees. Over the past 12 months, which, if any, of the following types of activities has this organisation conducted, supported or arranged for your** [INSERT OCCUPATION FROM A8] **staff?**

READ OUT. CODE ALL THAT APPLY.

Induction training	1	
Health and safety training	2	
Supervisory training	3	
Management training	4	
Training in new technology	5	GOTO C2b
Training in foreign languages	6	
Job-specific training	7	
Any other training (specify)	8	
Any other training (specify)	9	
Any other training (specify)	10	
No training conducted, supported or arranged	11	GOTO C3a
(DO NOT READ OUT) DON'T KNOW	12	

IF C2a/1–10
C2b) **Are any of these training activities for** [INSERT OCCUPATION FROM A8] **externally accredited? By this I mean, do they lead to a qualification that is nationally recognised outside of this organisation?**

SINGLE CODE.

Yes	1	GOTO C2c
No	2	GOTO C2i
(DO NOT READ OUT) DON'T KNOW	3	GOTO C2j

IF C2b/1

C2c) **Which of the training activities that you conduct or support offer accredited qualifications?** READ OUT. CODE ALL THAT APPLY

[ONLY GIVE OPTIONS CODED AT C2a]

Induction training	1
Health and safety training	2
Supervisory training	3
Management training	4
Training in new technology	5
Training in foreign languages	6
Job-specific training	7
Any other training (specify)	8
Any other training (specify)	9
Any other training (specify)	10
(DO NOT READ OUT) DON'T KNOW	11

IF C2b/1

C2d) **Could you tell me the three most common accredited qualifications offered by your organisation for** [INSERT OCCUPATION FROM A8]**?**

PROBE FOR A) NAME OF QUALIFICATION / B) ACCREDITATION BODY / C) LEVEL OF QUALIFICATION.
RECORD VERBATIM.

            Name   Accreditation body   Level of qualification

    1: A)_____ B)_____ C)_____
    2: A)_____ B)_____ C)_____
    3: A)_____ B)_____ C)_____

IF C2b/1

C2e) **Why do you conduct or support training for** [INSERT OCCUPATION FROM A8] **that leads to externally accredited qualifications?**

PROBE FULLY. RECORD VERBATIM.
        _____

IF C2b/1

C2f) **To what extent do you agree or disagree with the following statement in relation to your** [INSERT OCCUPATION FROM A8] **staff? Most of the accredited training we offer is about recognising or certificating existing skills rather than developing new ones.**

Do you … READ OUT. SINGLE CODE.

Agree strongly	1	GOTO C2g
Tend to agree	2	
Neither agree nor disagree	3	GOTO C2j

Tend to disagree	4	GOTO C2h
Disagree strongly	5	
(DO NOT READ OUT) DON'T KNOW	6	GOTO C2j

IF C2f/1 OR IF C2f/2
C2g) Why do you say that?
PROBE FULLY. RECORD VERBATIM.
_____

IF C2f/4 OR IF C2f/5
C2h) Why do you say that?
PROBE FULLY. RECORD VERBATIM.
_____

IF C2b/2
C2i) Why is none of the training you conduct or support for [INSERT OCCUPATION FROM A8] **staff externally accredited?**

PROBE FULLY. RECORD VERBATIM
_____

IF C2a/1-10
C2j) What are the main drivers or objectives of the training you provide to [INSERT OCCUPATION FROM A8] **staff?** DO NOT READ OUT. PROBE (e.g. Anything else?). CODE ALL THAT APPLY.

Improve the skills already used by employees in their current jobs	1
Extend the range of skills used by employees in their current jobs	2
Provide the skills needed for employees to move to different jobs at the same level	3
Provide the skills needed for employees to move to higher-level jobs (promotion)	4
Obtain Investors in People status or other quality standard	5
Meet legal or health and safety requirements	6
Meet industry requirements	7
Increase employees' understanding of, or commitment to, the organisation	8
Improve customer service	9
Company policy	10
Technological change	11
Some other objective(s) (Specify)	12
(DO NOT READ OUT) DON'T KNOW	13

IF C2a/1–8

C2k) **What percentage of total** [INSERT OCCUPATION FROM A8] **staff training would you describe as being compulsory (i.e. determined by legislative or health and safety obligations)?**

RECORD AS NUMBER 0–100

_____

DON'T KNOW………X   [GOTO C2h_1]

IF C2h/X

C2h_1) **Would you estimate the proportion of total** [INSERT OCCUPATION FROM A8] **staff training which is compulsory (i.e. determined by legislative or health and safety obligations) to be …**

All (100%)	1
Almost all (80–99%)	2
Most (60–79%)	3
Around half (40–59%)	4
Some (20–39%)	5
A little (1–9%)	6
None (0%)	7

C3 – Outcomes and Benefits of Training

ASK ALL.

C3a) **Thinking now about training for any of your staff. Does this establishment formally assess the performance of staff who have received training and development before the training takes place, after it has taken place or both?**

SINGLE CODE.

Before the training has taken place	1	GOTO C3b
After the training has taken place	2	GOTO C3c
Both	3	GOTO C3b
No assessment	4	
No training	5	GOTO C3e
(DO NOT READ OUT) DON'T KNOW	7	

IF C3a/1 OR IF C3a/3

C3b) **What methods do you use to assess performance before training has taken place?**

PROBE FULLY. RECORD VERBATIM

_____

Don't know   X

IF C3a/2 OR IF C3a/3

C3c) **What methods do you use to assess performance after training has taken place?**

PROBE FULLY. RECORD VERBATIM

_____

Don't know   X

IF C3a/1 OR IF C3a/2 OR IF C3a/3

C3d) **What barriers, if any, are there to assessing the impact of training on individuals' performance?**

PROBE FULLY. RECORD VERBATIM

_____

Don't know   X

ASK ALL.

C3e) **Has the impact of training on your organisation as a whole been estimated or measured in any way?**

SINGLE CODE.

Yes	1	GOTO C3f
No	2	GOTO C3h
(DO NOT READ OUT) DON'T KNOW	3	

IF C3e/1

C3f **And would you consider this impact to be …**

READ OUT. SINGLE CODE

Significant and positive	1
Marginal and positive	2
Marginal and negative	3
Significant and negative	4
Mixed	5
(DO NOT READ OUT) DON'T KNOW	6

If C3e/1

C3g **Which, if any, of the following did you find? …** READ OUT. CODE ALL THAT APPLY.

Improved staff retention	1
Improved productivity	2
Improved employee morale	3
Improved commitment and involvement in the organisation	4
Improved customer satisfaction	5
Improved competitiveness	6
Other (Specify)	7
(ONLY READ OUT IF NONE OF THE ABOVE CODED) No measurable benefits (SINGLE CODE ONLY)	8
(DO NOT READ OUT) DON'T KNOW	9

ASK ALL.

C3h **Generally speaking, what in your view are the main benefits of investment in training for your organisation? …** READ OUT. CODE ALL THAT APPLY.

Improved staff retention	1
Improved productivity	2
Improved employee morale	3
Improved commitment and involvement in the organisation	4
Improved customer satisfaction	5
Improved competitiveness	6
What other benefits? (Specify)	7
(ONLY READ OUT IF NONE OF THE ABOVE ANSWERED) No benefits – (SINGLE CODE ONLY)	8
(DO NOT READ OUT) DON'T KNOW	9

C3i) **How important is each of the following in terms of improving employee retention within your organisation? Very important, fairly important, neither important nor unimportant, not very important, or not important at all.**

	Very important	Fairly important	Neither important nor unimportant	Not very important	Not important at all	DON'T KNOW (DO NOT READ OUT)
Improving employee commitment and involvement in the organisation	1	2	3	4	5	X
Increasing learning and development opportunities	1	2	3	4	5	X
Increasing pay	1	2	3	4	5	X
Improving induction processes	1	2	3	4	5	X
Increasing benefits	1	2	3	4	5	X
Improving training for line managers	1	2	3	4	5	X
Improving work–life balance within the organisation	1	2	3	4	5	X
Improving physical working conditions	1	2	3	4	5	X

C4 – External Training Sources

ASK ALL.

C4a) **Could you tell me roughly what percentage of the training in your organisation is delivered by external training providers? By external providers I mean organisations such as FE colleges, private training providers, universities and consultancies.**

RECORD AS NUMBER 0–100

_____

DON'T KNOW ......X [GOTO C4a_1]

IF C4a/X

C4a_1) Would you estimate the proportion of training in your organisation delivered by external training providers (by external providers I mean organisations such as FE colleges, private raining providers, universities and consultancies) to be …

All (100%)	1	GOTO C4b
Almost all (80–99%)	2	
Most (60–79%)	3	

Around half (40–59%)	4	
Some (20–39%)	5	
A little (1–19%)	6	
None (0%)	7	GOTO C4g

IF C4a/1–100 OR IF C4a_1/1-6

C4b) **And for those activities that are delivered by external training providers, could you tell me whether they tend to be sourced nationally (by head office), locally (by local or regional offices), or both?** SINGLE CODE.

Nationally (head office)	1	GOTO C4c
Locally/regionally	2	
Both	3	GOTO C4d
(DO NOT READ OUT) DON'T KNOW	4	

IF C4b/1

C4c) **Why do you prefer to source external training nationally rather than locally?**

DO NOT READ OUT. CODE ALL THAT APPLY.

More cost-effective	1
We get more input into the design of the training/it is more tailored to our needs	2
The training is more consistent across different locations	3
The training is of better quality	4
Other (Specify)	5
(DO NOT READ OUT) DON'T KNOW	6

IF C4a>0 OR IF C4a_1/1–6

C4d) **And for those activities that were delivered by external training providers, could you tell me whether you receive any public sector funding towards these? By public sector I mean funding from government, the LSC, the EU, or other public bodies.**

SINGLE CODE.

Yes	1
No	2
(DO NOT READ OUT) DON'T KNOW	3

IF C2a/1–10
C4e) How do you feel public sector-funded training compares with the training that you have developed in-house?

PROBE FULLY. RECORD VERBATIM.

_____

Don't Know   X

IF C4e/NOT X
C4f) And why do you say that?

PROBE FULLY. RECORD VERBATIM.

_____

ASK ALL
C4g) How do you feel public sector-funded training provisions could be more closely tailored to your needs?

PROBE FULLY. RECORD VERBATIM.

_____

It couldn't/ It already meets our needs   1
Don't know   2

C4h) In terms of developing your workforce, where do you see the balance of responsibility between public sector training provisions and the training you have developed in-house?

PROBE FULLY.(e.g. What skills/qualifications should be supported by the public sector? Who should pay?)
RECORD VERBATIM.

_____

C4i) Who do you think should bear the costs of any additional English-language training needed by overseas workers to perform their job? Should it mainly be covered by …

READ OUT. SINGLE CODE.

The employer	1
The individual concerned	2
The Government	3
Some other organisation or individual (Specify)	4
(DO NOT READ OUT) DON'T KNOW	5

C4j) **Lord Leitch's report has recently proposed that the UK should move towards a more demand-led approach to education and training. What would you consider this to entail?**

PROBE FULLY. RECORD VERBATIM.

_____

Don't know   X

C4k) **In addition to the recommendation regarding the development of a demand-led approach to education and training, Lord Leitch's report contains a recommendation that employers should make a formal commitment or Skills Pledge to enable and encourage their workforce to achieve a Level 2 qualification. Have you heard of the Pledge?**

SINGLE CODE.

Yes	1	GOTO C4l
No	2	GOTO D1
(DO NOT READ OUT) DON'T KNOW	3	

IF C4k/1

C4l) **What are your views on this?**

PROBE FULLY. RECORD VERBATIM.

_____

Don't know   X

Section D – Product/Service Strategy

I'd just like to ask you a few questions about the products or services that are provided by your organisation – and how it compares against others in your industry, including suppliers based in other countries. First of all, on a scale of 1 to 5, where would you place this establishment and the products or services that it provides if …

ASK ONLY FOR MANUFACTURING SECTOR (DEFINED BY SIC CODES 1 TO 45 ON SAMPLE)

D1) **A score of 1 indicates that, compared with others in your industry, you're a high-volume producer and a score of 5 indicates that you provide one-off or very low volume products.**

1 – High volume	1
2	2
3	3
4	4
5 – One-off	5
(DO NOT READ OUT) DON'T KNOW	6

ASK ONLY FOR SERVICE SECTOR (SIC ON SAMPLE NOT 1 TO 45)

D2) **A score of 1 indicates that, compared with others in your industry, you provide a wide range of services and a score of 5 indicates that you provide a very limited range.**

1 – Wide range	1
2	2
3	3
4	4
5 – Limited range	5
(DO NOT READ OUT) DON'T KNOW	6

ASK ALL

D3) **A score of 1 indicates that, compared with others in your industry, your competitive success is wholly dependent on price and a score of 5 that success does not depend on price at all.**

1 – Wholly price-dependent	1
2	2
3	3
4	4

5 – Not at all price-dependent	5
(DO NOT READ OUT) DON'T KNOW	6

D4) **A score of 1 indicates that, compared with others in your industry, you very rarely lead the way in terms of developing new products or services or techniques and a score of 5 that you often lead the way.**

1 – Very rarely lead the way	1
2	2
3	3
4	4
5 – Often lead the way	5
(DO NOT READ OUT) DON'T KNOW	6

D5) **A score of 1 indicates that you compete in a market for a standard or basic quality product or service, and a score of five that you compete in a market for premium quality product or service.**

1 – Standard or basic	1
2	2
3	3
4	4
5 – Premium	5
(DO NOT READ OUT) DON'T KNOW	6

Section E – Closing

Thank you for your help in taking part in this survey. Your comments will help the government agencies responsible for developing vocational training to better meet the needs of larger employers.

ASK ALL

E1) **As part of this study we would like to re-contact some survey participants to find out more about their workforce development plans and activities. Would it be OK to re-contact you about this at a later date?**

Yes	1	Confirm and record name and contact details
No	2	
(DO NOT READ OUT) DON'T KNOW	3	

THANK AND CLOSE

Annex 2: Case Study Discussion Guide 1: Overview of Recruitment and Training

Recruitment and Training Among Large National Employers
(LSC 2007)

This discussion guide is for the 'top-level' interview on skills demands and the responsibility for training in the UK, which will have been conducted with the person who completed the earlier structured interview. In each case study, this interview will ideally come before the interviews on organisations' practices on recruitment and training, to be conducted with the relevant manager(s).

Introduction

Explain background to research:

- commissioned by Learning and Skills Council
- aimed to improve understanding of large UK employers' practices in recruiting and training of staff.

In this interview I'd like to focus on your opinions on skills development and the strategic thinking behind [*organisation's*] recruitment and training practices. We will look in more detail at your practices in the other interviews.

- Re-emphasise that interview data will be treated confidentially and published after approval by their organisation.

- Explain that we want to record the interview:
  (i) to ensure we collect and interpret the data correctly; and
  (ii) so that we don't have to take notes (easier to focus on the conversation and makes for a quicker interview). Recordings will be deleted after analysis. Ask permission to record interview.

- Explain that our preference is to have named organisations as case studies of policy and practices, but we will approve this with each organisation prior to any publication. To be clear, we would not want to identify your personal opinions (for example, on government policy and skills levels in the UK), but only [*organisation's*] practices. Ask if it is OK to proceed on this basis.

Background

[*Draw on the survey responses for basic information on the organisation. Check this with the interviewee to ease them into the interview. Check/ask about the following*:]

- main area of business
- number of employees in UK and overseas

- main occupational group

    - How do they normally refer to these staff?

- interviewee's job title

    - What does the role involve?

Ready skilled versus training up

Strategy

1   I'd like first to discuss the skills levels of your [*main occupational group*] and your HR strategy on this.

    - How appropriately skilled is the UK labour market for the work of your [*main occupational group*]?

    - Does your HR strategy take account of this in setting recruitment and training policies?

        - [*If yes*:] How?

        - [*If no*:] Do you think you need to give more consideration to the skills of the external labour market, or is your current strategy sufficient for your needs?

            [*If more*:] What do you think you need to do?

            [*Prompt*:] For example, do you think you need to change your recruitment or training practices? [*If yes*:] How?

2   Have there been any changes in your organisation's business strategy that have had a large effect on the skills you need (for these staff)?

    - What was the change?

    - What impact did this have on your skills needs?

    - How did you respond and/or ensure you had an appropriately skilled workforce?

        [*Prompts:*]

            Did you respond mainly through recruitment or training?

            What exactly did you decide to do?

            Why?

    - And what were the results of that?

3   Over the next five years, does your business strategy require major changes to the skills sets of your workforce?

    - What differences in employee skills are you anticipating?

    - How do you think you will meet those challenges?

        - Will you look to government or any other support?

- Will you rely on public education and training bodies to meet the challenges?

■ Are you confident that you can meet the skills needs of your business over the next five years? Why/why not?

Responsibility for UK training

4   Where do you think the main responsibility lies for developing a skilled UK workforce in your sector?

[*Prompt*:] What do you think are the respective roles of the various stakeholders: employers, education and training providers, industry bodies such as sector skills councils, and government?

■ What role do you think [*organisation*] has in developing a skilled labour market?

5   Lord Leitch's report [*commissioned by the Government and published in 2006*] proposed that the UK should move towards a more demand-led approach to education and training. What does that mean to you?

[*Prompt:*] What would a more demand-led approach to skills look like?

6   How demand-led would you say that training and qualifications are at the moment?

■ Why do you say that?

7   Another recommendation in Lord Leitch's report is that employers make a formal Skills Pledge to support their employees in achieving Level 2 qualifications. Are you familiar with the Skills Pledge?

8   What are your views on employers being encouraged to make such a commitment? Why do you say that?

Overseas recruitment

9   Do you actively recruit staff from abroad to work in the UK?

■ Which occupations?

■ Why these?

10 How does the recruitment of staff from abroad fit in with [*organisation's*] HR strategy?

11 Who do you think should take the main responsibility for funding and providing training for foreign employees working in the UK?

■ To what extent do you think this is your responsibility as an employer?

■ Who should meet the costs of additional English-language training if foreign employees need it for their job? Why do you say that?

Utilisation/deployment of skills

12 Do employees at [*organisation*] generally use their skills and knowledge extensively? Do you have a great deal of latent or unused skills among your staff?

[*If skills underused:*]

- In what areas are your employees typically over-skilled?
- Are you doing anything to better utilise employee skills?

13 In general, are your staff adequately skilled for the jobs they do?

[*If not:*]

- In what areas is this typically the case?
- Are you doing and/or planning anything to address this? What?

14 To what extent is work organised to take account of employees' individual strengths and better utilise their skills?

- How? What structures do you have to facilitate this?

  [*Prompt:*] For example, do you have semi-autonomous teamworking or initiatives to encourage discretionary effort?

Training provision

15 Do you offer or fund training that leads to externally recognised qualifications?

- What training do you do this for?
- What benefits do you see in having externally recognised qualifications for this? Why do you offer and/or fund this type of training?

16 Do you provide in-house training and certificates?

- What training do you do this for?
- What benefits do you see in in-house training/certificates?

17 In the externally accredited training you offer, would you say that most of it is certifying existing skills or developing new ones?

- Why do you say that?

18 Are certain levels of qualification more likely to be encouraged than others? Which ones? Why?

- Can I just check – what do you understand by Level 2 and Level 3 qualifications?
- Do you focus more on Level 2, Level 3, or other qualifications? Why?

  [*If other:*] Which?

Benefits of training

19 What do you think are the main benefits of your organisation co-ordinating and providing training?

20 Has [*organisation*] measured any of these benefits of training?

- What impacts have been looked at?

- How were they measured?

  - Did you carry out a cost-benefit analysis?

- What were the results?

- Can you give any specific examples you've seen of the benefits of training to the organisation?

Retention

21 To what extent is staff retention a challenge for your organisation?

22 In your opinion, does training provision affect staff retention rates?

- [*If yes:*] How great an impact does it have on retention compared to other factors?

23 Can you give an example of how you've seen training provision affect retention?

Employee engagement and motivation

Finally, I'd like to discuss employee engagement and motivation, and whether they link in with skills development.

24 Are engagement and motivation major issues for your organisation, in particular thinking of [*main occupational group*]?

25 How does [*organisation*] attempt to improve employee engagement and motivation?

- [*If not mentioned*:] Does training factor into this?

- How large do you think the influence of training on engagement and motivation is, compared to other factors?

Is there anything else you would like to add that we have not covered?

Thank respondent and close the interview.

Annex 3: Case Study Discussion Guide 2: Recruitment and Training Practices

This discussion guide is for case study interviews on organisations' **practices on recruitment and training**, to be conducted with the relevant manager(s). In each case study, this interview will ideally follow the 'top-level' interview on skills demands and the responsibility for training in the UK, which will have been conducted with the HR director or the person who completed the earlier structured interview.

Appropriate interviewees may include:

- recruitment manager/specialists (ask Sections 1 and 2)
- training manager/specialists (ask Sections 2 and 3).

All section timings are approximate and should be used as a guideline for the maximum length of that section.

Introduction (5 mins)

- Explain background to research:
  - commissioned by Learning and Skills Council
  - aim to improve understanding of large UK employers' practices in recruiting and training staff.
- Re-emphasise that interview data will be treated confidentially and published after approval by their organisation.
- If permission given in top-level interview to name the case study organisation, explain that this is our intention.
- Explain that we want to record the interview:
  (i) to ensure we collect and interpret the data correctly and
  (ii) so that we don't have to take notes (easier to focus on the conversation and makes for a quicker interview). Recordings will be deleted after analysis. Ask permission to record interview.
- Explain that throughout the interview, when we discuss specific practices, we are concerned with their *main occupational group* of staff, not all staff.

Background (5 mins)

[Draw on the survey responses for basic information on the organisation. Check this with the interviewee to ease them into the interview. Check/ask about the following:]

Ask if first interview of the visit:

- company's main area of business
- number of employees in UK and overseas
- largest occupational group (verify survey interview).

Ask each interviewee:

- interviewee's job role and length of time at the company.

Recruitment questions (25 mins)

Recruitment practices

1   What methods do you use for filling staff vacancies?

- Do these vary by seniority or function?
- Does [*organisation*] prefer to recruit internally or externally? Why?
- Does this vary by seniority or function?
- Are there desired routes of progression for staff at [*organisation*]?
- For which functions?

2   Thinking of all staff positions, what are the minimum and maximum qualification requirements you have?

- And where would most jobs fall within that range?

  [*Prompt:*] Would most be towards the top of that, the bottom, or in the middle?

I'd like now to talk about your *main occupational group*:

3   On what basis do you sift and select applicants?

- When recruiting new staff, is more emphasis put on qualifications or skills? Why?

4   Do you think qualifications are a good indicator/proxy for skills? Why/ why not?

If some emphasis on qualifications (Q.3), ask Q.5 to 7:

5   What factors are important when sifting on qualifications?

[*Probe on:*]

- qualification level
- subject / relevance
- awarding body or institution
- any other factors?

6   Do you give more importance to academic or vocational qualifications?

> [*Prompt*:] For example, say you have two candidates, one with three A-levels and one with a Level 3 NVQ, who do you think you'd recruit? Why?

7   [*If main occupational group is not managerial*:] And what about when recruiting managers – do you give more importance to academic or vocational qualifications? Why?

If some emphasis on skills (Q.3), ask Q.8–10:

8   How do you sift on skills? What kind of skills do you look for?

- Do you attach more importance to generic or specialist skills? Why?

9   What experience, qualities or core competences would your [*main occupational group*] staff ideally have?

> [*Prompt:*] What kinds of skills do you look for at recruitment?

- What demonstrates that people have these skills?

10   How are skills gauged in the selection process?

> [*Prompt:*] e.g. standard or psychometric tests; job experience as described in applications and supported in interviews.

Recruitment and training questions (25 mins)

Ready skilled versus training up

11   In general, does [*organisation*] prefer to recruit staff ready trained or to train up staff internally? Why is that?

Does this differ for:

- different grades of staff?
- different specialisms of staff?
- specialised and generic skills?
- if so, how does it differ?

12   How appropriately skilled is your staff intake for the work of [*main occupational group*]?

- Do your HR practices take account of this?
  - [*If yes*:] How?

    [*Prompt:*] Do you give remedial or specialised training?

13   Do you actively recruit staff from abroad to work in the UK?

[*If yes:*]

- For which occupations?
- What are the main reasons you recruit from abroad?
- How does it fit in with your skills needs?

   [*Prompt:*] Do non-UK nationals typically fill skills gaps at [*organisation*]?

Changes in skills needs

14   Have there been any significant changes in your organisation's skills needs?

[*If yes:*]

- What?
- How did you respond?

   [*Prompt:*] How did you ensure you had an appropriately skilled workforce?

   - So did you respond mainly through recruitment or training? How did that work?

15   Do you anticipate a need for a major change in the skills sets of your workforce over the next five years?

[*If yes:*]

- What differences in employee skills do you anticipate?
- How will you meet those challenges?
   - Will the responses to changing skills requirements have any impact on your recruitment strategy?
   - Will there be a change in the balance between recruiting ready-skilled workers and training them up?
   - Will there be any impact on the type or volume of training you do and how you source it?

      [*Prompt:*] Will you have more in-house or more externally-funded training?

Training questions (45 mins)

Planning training

16   How do you determine your organisation's training needs?

   [*Prompt:*] How do you gauge what skills gaps you have?

- How do you prioritise different training areas?

17 Is training particularly targeted at certain levels of staff?

- [If yes:] What training? What levels?

18 Is training particularly targeted at certain staff divisions?

- [*If yes:*] What training? What divisions?

19 Who plans training at [*organisation*]?

What roles do the following have:

- head office (UK)?
- individual sites or divisions?
- individuals and their line managers?

20 How are your training budgets set and allocated between divisions and/or sites?

21 What resources do your divisions and/or sites typically have for training?

- What learning resources do they have access to?
- Do they have direct access to financial resources?

Training provision

In-house versus externally accredited training

22 What are the main types of training opportunities that are available for [*main occupational group*]?

23 What is the balance between training developed in-house and externally accredited training?

[*Prompt*:] Is most of your training bespoke for your organisation or is it for nationally recognised qualifications (or both equally)?

- What externally accredited training do you use? Why? Do you receive any public funding towards that?
- What in-house training do you use? Why?

If use in-house training or a mix of both (Q.23), ask Q.24:

24 Are you generally aware of what externally accredited training there is that's relevant to your [*main occupational group*]?

- [*If yes:*] Do you look at what externally accredited training is available before commissioning training programmes yourselves?
  - [*If yes*:] How do you obtain this information?

> [*If yes*:] When this is the case, what influences your decision to develop in-house training?

Ask all:

25 In your view what are the strengths and weaknesses of using training that is developed in-house compared with externally accredited training?

26 Does any of the training that you offer or fund lead to externally recognised qualifications?

> [*If yes:*]

- Are certain levels of qualification likely to be encouraged more than others?

  [*If yes:*]

  - Which ones?

  - Why these?

- What do you understand by Level 2 and Level 3 qualifications?

- Do you focus more on Level 2, Level 3, or other qualifications?

  - [*If other:*] Which?

  - Why is that?

- When you're deciding which training to offer staff, how important are qualifications? Why?

Drivers of training

27 What are the main drivers of training for [*main occupational group*]?

- [*Prompt:*] Are organisational or individual factors most important?

28 Is any training made compulsory?

  [If yes:]

- What?

- Why is it compulsory?

- Do you have company standards that require certain training?

29 How do industry standards influence your training agendas?

- What about health and safety regulations?

30 Are certain qualifications or training courses necessary for promotion?

- [*If yes:*] Which qualifications/training?

- What qualification level is that? (e.g. Level 2/Level 3).

31   Do you actively encourage staff to undertake training beyond legislative requirements?

[*If yes:*]

- Why is that?
- How do you do this?
    - Do you offer any sort of incentive, e.g. a bonus on completion of training?
    - Do you just emphasise the benefits to themselves of upskilling?

Training evaluation

32   Do you evaluate the **effectiveness** of your training?

[*If yes:*] Thinking of a specific example of where you have done that …

- how did you conduct the evaluation?
    - What methods did you use?
    - At what level were the results analysed?
    - Did they feed into a cost-benefit analysis?
- What use was made of the evaluation results?
- Is that example typical of how you evaluate your training?
    - [*If no*:] What do you more typically do in the way of evaluation?

33   Have you come up against any difficulties in evaluating your training?

[*If yes:*]

- What?
- How have these been addressed?

Benefits of training

General views and example(s)

34   What do you think are the main benefits of your organisation co-ordinating and providing training?

- Has that been measured?
    - [*If no*:] Do you plan to measure that in the future?

    [*If yes*:] How might that be done?

    [*If no*:] Why not? Do you think there's much value in trying to measure the benefits of training?

35 [*If have measured benefits*:] Thinking of a specific example of where you have measured the **benefits** of training:

- What impacts did you look at?

- How were they measured?

- Did you carry out a cost-benefit analysis?

- Did you look at the effects on productivity? If so, what were the results?

- Have those results changed your practices at all?

  - [*If yes*:] How? What changes have been made?

Retention

36 What measures does [*organisation*] take to improve retention rates?

- [*Prompt*:] For example, do you target pay and rewards or other benefits at groups of staff you have particular retention problems with?

37 Has [*organisation*] looked at the impact of training on retention?
[*If yes:*]

- How? What did you measure?

- What did the results show?

38 Are certain types of training offered in part as a means of retaining staff?

- What?

- Is that effective in improving retention?

39 Is training supplied on condition that staff stay with [*organisation*] for a certain amount of time?

- [*If yes*:] What are the conditions for this?

Employee engagement and motivation

I'd now like to discuss employee engagement and motivation.

40 Do you measure or assess employee engagement or motivation?

[*If yes*:]

- What do you measure? How do you measure it?

- Have you looked at how it relates to training and skills development?

- How did you do that?

- What were the results?

41 How does [*organisation*] attempt to improve employee engagement and motivation?

- [*if not mentioned*:] Does training factor into this?

112

- ■ How much does training impact on staff engagement and motivation?
  - ● Has this been measured?
  - [*If yes:*]
    - How was it measured?
    - What were the results?

Is there anything else you would like to add that we have not covered?

Thank respondent and close the interview.