

Who trains? Employers' commitment to workforce development

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Key points

- Around nine out of ten employers provided job-related training to at least some of their employees.
- Over half of all employers provided off-the-job training and over three-quarters of employers provided on-the-job training to their employees.
- The proportion of employers providing training increased with employer size. While half of establishments with five to 24 employees provided off-the-job training, nine out of ten of those with 500 or more employees provided it.
- Half of all employers said that they had built links with external organisations in order to offer their employees training and development opportunities.
- Almost one in three employers helped employees learn things not directly connected with their job.
- The proportion of employees receiving off-the-job training has increased: 16 per cent received training in the four weeks before spring 2001, compared with 15 per cent in 1998 and 13 per cent in 1995. However, there were still 30 per cent of employees who had never received training from their current employer.
- Employers with internal skill gaps were more likely to provide training: 48 per cent provided off-the-job training, compared with 39 per cent of those without skill gaps.

This article examines the volume, type and pattern of training provided by employers. It also explores employers' commitment to workforce development using indicators such as the existence of formal human resource practices related to training.

Introduction

RECENT RESEARCH has shown a positive link between increased training and higher productivity.¹ Coupled with evidence of other benefits such as increased cooperation from the workforce, this highlights the importance of employer-provided training. There are various sources from which the extent of training can be measured. The Labour Force Survey (LFS) provides information from individuals about the training that they receive while other sources ask employers about the training that they provide for their employ-

ees. The Employers Skill Survey² (ESS), while being a survey primarily about recruitment difficulties and skill gaps, asks employers with one or more employees about their provision of off-the-job training. For employers with five or more employees, the Learning and Training at Work³ survey (LTW) reports on the provision of both on-the-job and off-the-job training. It also collects information about learning opportunities offered and employers' awareness of, and involvement with, training initiatives.

Employers providing job-related training

In Britain as a whole, the proportion of employers providing training remained fairly static throughout the 1990s as measured by the Skill Needs in Britain (SNIB) survey. Results from the 2001 LTW indicate that, in England, around nine out of every ten employers (88 per cent) provided some of their employees with either off-the-job or on-the-job training in the previous 12 months. *Figure 1* shows that over half of all employers (55 per cent) provided off-the-job training to at least some of their employees. This compares with over three-quarters of employers (78 per cent) providing on-the-job training. Some 45 per cent of employers provided both on-the-job training and off-the-job training.

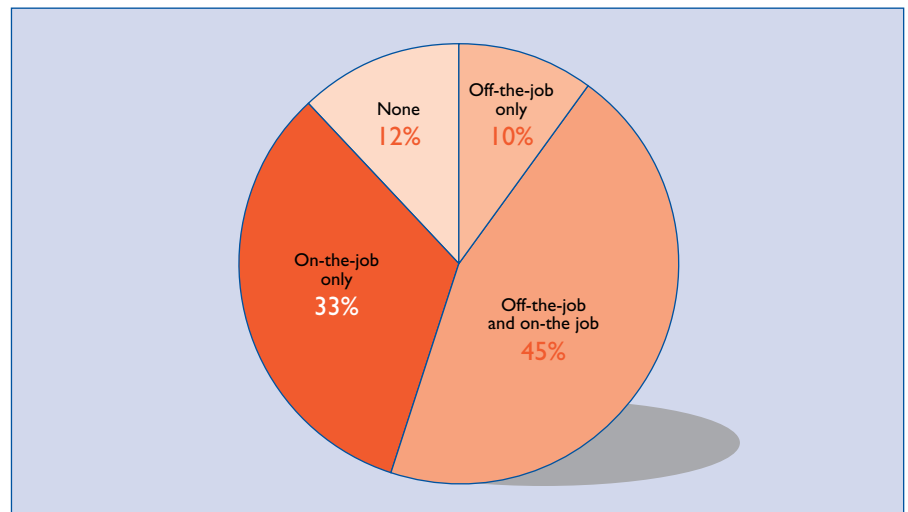
The proportion of employers that provided training increased with employer size, as shown in *Figure 2*. Half (49 per cent) of establishments with 5-24 employees provided off-the-job training for some of their employees, rising to over 90 per cent for those with 500 or more employees. The proportion of employers providing on-the-job training also varied with employer size, but not to the same extent as for off-the-job training. LTW 2001 found that 75 per cent of employers with 5-24 employees provided on-the-job training, rising to over 90 per cent for those with 100 or more employees.

Learning opportunities

As well as training provision, the 2001 LTW also asked employers whether they had offered their employees a number of different types of learning opportunity. Six out of ten employers (59 per cent) had provided at least one of the eight types of learning opportunity discussed. *Figure 3* shows that learning in information technology and working with others were the types most commonly on offer.

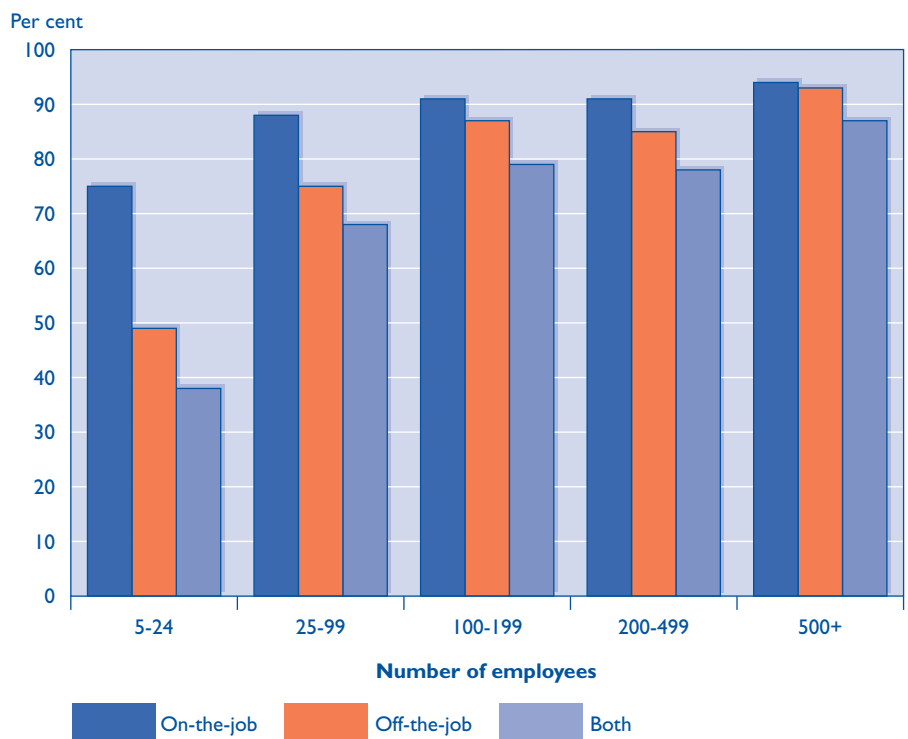
It is interesting to note that half of all employers (51 per cent) said that they had built links with external organisations in order to offer their employees training and development opportunities,

Figure 1 Proportions of employers providing job-related training by training type; England; 2001



Source: Learning and Training at Work 2001

Figure 2 Proportions of employers providing job-related training by size of employer; England; 2001



Source: Learning and Training at Work 2001

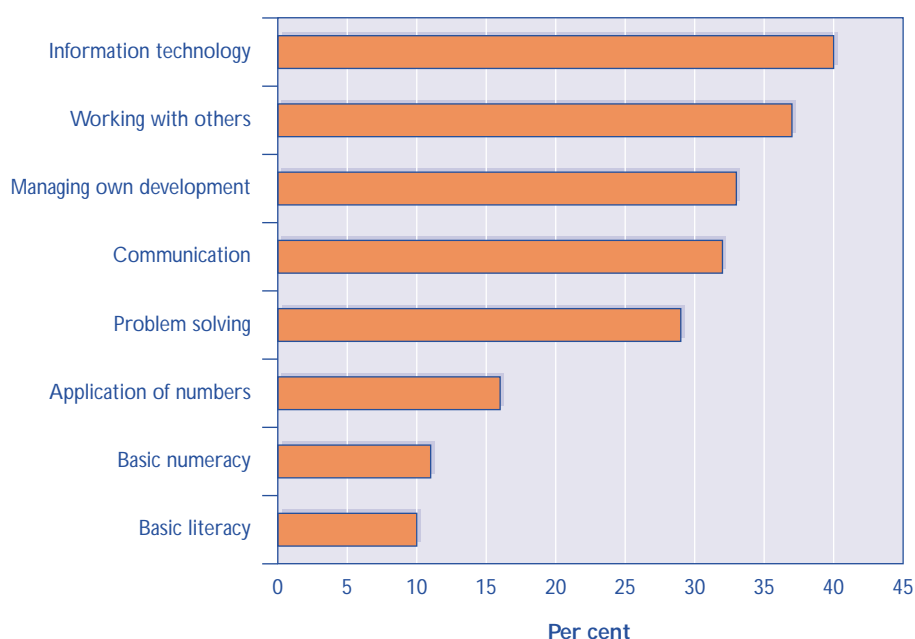
and almost one in three employers (30 per cent) helped employees learn things not directly connected with their job.

Employees receiving training

The 2001 ESS found that during the previous year establishments in England

on average provided around one fifth of their staff with off-the-job training. However, this does not fully describe the picture. As shown in *Figure 4* the distribution of the proportion of employees receiving training is bimodal, with establishments much more likely to provide off-the-job training either to none of their staff (63 per

Figure 3 Proportions of employers offering learning opportunities; England; 2001



Source: Learning and Training at Work 2001

in the previous four weeks, compared with around one in six (16 per cent) of those with qualifications at GCSE level (and equivalent), and only one in twenty (5 per cent) of those without qualifications. People in highly skilled jobs are more likely to receive training – those in professional occupations are nearly four times as likely to receive training as those who work as operatives. Women are more likely to receive training than men, 19 per cent compared with 14 per cent.

Training in small firms

The recent study *The Nature of Training and Motivation to Train in Small Firms* (TSF) looked at how small firms (with 2-49 employees) tackled their training needs (see pp275-6, *Labour Market Trends*, May 2002). The study suggested the following reasons why small firms provide less training:

- relatively higher costs of training;
- shorter-term planning regarding investment in training as a consequence of greater business uncertainty;
- a lack of hard evidence of the benefits of training; and
- general training courses not suited to small firms' needs with providers less willing to tailor courses to suit individual firms' needs.

Around one in six firms can be classed as 'low trainers' (no training or only as a last resort), 55 per cent as 'tactical trainers' (training as necessary), and 30 per cent as 'strategic trainers' (taking a positive and systematic approach to training).

cent) or all of their staff (15 per cent). The LFS asks individuals whether they have undertaken job-related training in the previous one, four and 13 weeks. *Figure 5* shows that the proportion of employees receiving training in the previous four weeks and 13 weeks has steadily increased in recent years. However, the proportion receiving training in the previous week has not shown the same growth and fell slightly in 2001. Additionally, for those who undertook training in the previous week, the average number of hours spent training has fallen from 15 hours in 1995 to 13 hours in 2001. This suggests that the

rise in participation in training has been balanced by a fall in the average length of training. As a result, the total volume of training may have actually changed little.

The distribution of training varies greatly by occupation and type of employment. Nearly a third of employees (30 per cent) have never been offered any kind of training by their current employers.

Those employees with higher qualifications are much more likely to receive training. Around one in four (24 per cent) of those qualified at degree level or above received training

Box 1 Definitions

The following definitions were read out to survey respondents in the 2001 Learning and Training at Work survey.

Off-the-job training

This is training away from the immediate work position. It can be given at the employers' premises or elsewhere. It includes all sorts of courses – full or part time, correspondence or distance learning, health and safety, and so on – as long as it is funded or arranged by the employer.

On-the-job training

This is training given at the desk or place where the person usually works. Typically, this kind of training is planned in advance, with no, or very little, useful output while the training is being undertaken.

Looking at the very smallest firms, only 26 per cent of micro-firms (2-9 employees) were viewed as strategic trainers compared with 58 per cent of those with 20-49 employees. By contrast, 16 per cent of micro-firms were low trainers compared with 3 per cent for those with 20-49 employees.

Reasons why job-related training is not provided

The 2001 LTW asked employers who had not provided any training why they had not done so. The most common reason reported was that the skills of their employees currently met their needs (62 per cent) followed by new recruits having the required skills (16 per cent).

The TSF asked employers the main reason for not providing more training to their established workers. Half of all small firms saw no need to provide more training for the following reasons:

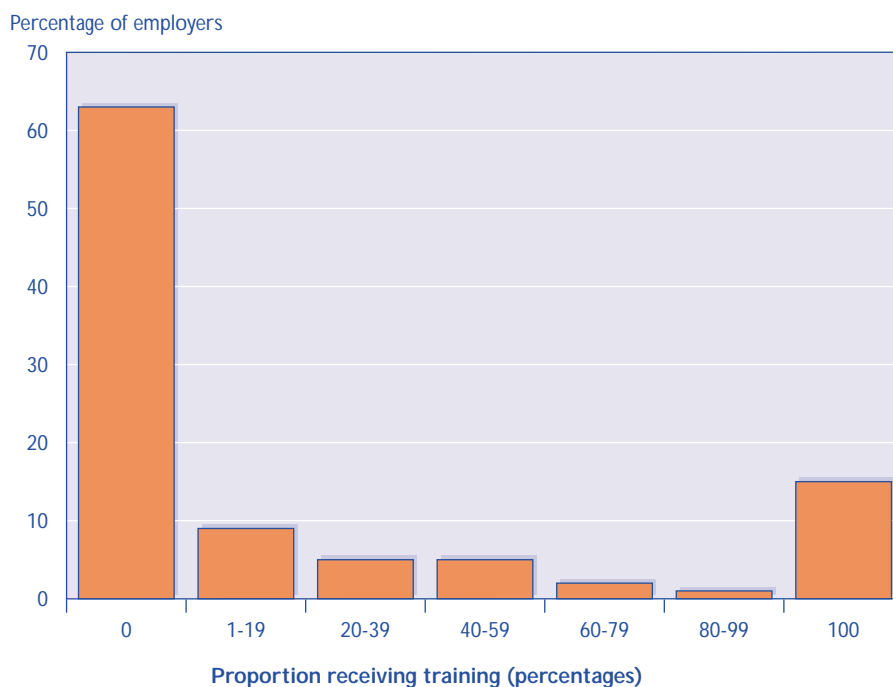
- 32 per cent said 'sufficient training is provided after workers are recruited';
- 10 per cent said 'staff are all fully trained before they are recruited'; and
- 9 per cent said 'further training would not produce any more benefits for business'.

The remainder reported 'supply-side' constraints on training provision, including the financial cost of external training (16 per cent); lost working time while workers were being trained (11 per cent); and lack of suitable external training (4 per cent). Many potential supply-side constraints were not perceived as such by small firms. The availability, quality and location of training were not primary concerns, and neither was fear of poaching (less than 1 per cent quoted this as the main reason, and 9 per cent mentioned it as a reason).

Training and skill gaps

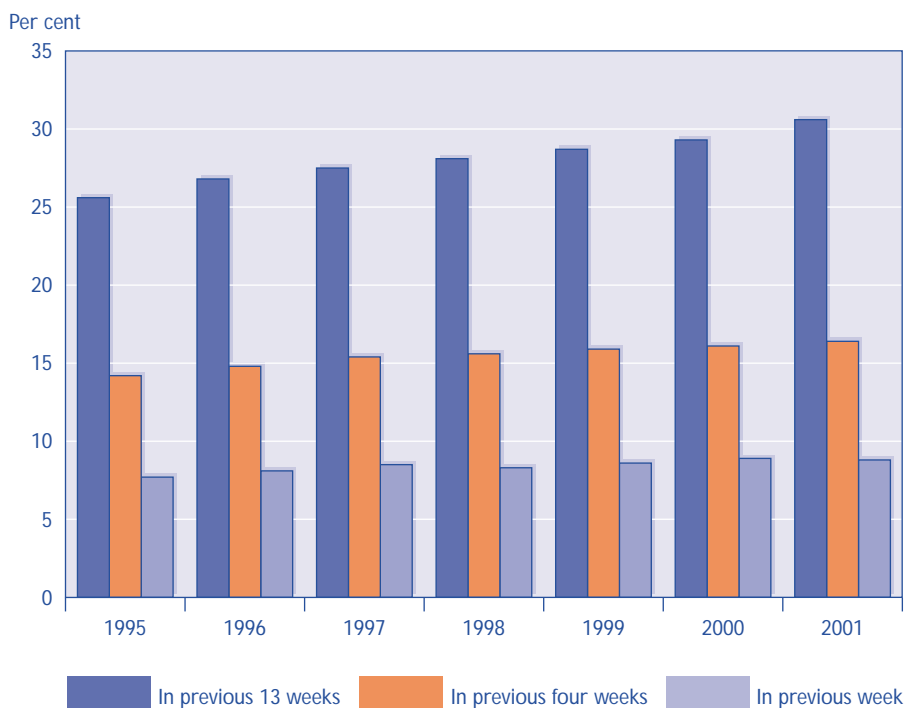
The 2001 ESS asked employers what proportion of their workforce was fully proficient at its jobs. Those that reported less than 'all' or 'nearly all' as being fully proficient were regarded as having internal skill gaps. Using this

Figure 4 Proportions of employers providing off-the-job training by proportion of employees; England; 2001



Source: Labour Force Survey

Figure 5 Proportions of employees receiving job-related training in recent periods; United Kingdom; spring 1995 to spring 2001



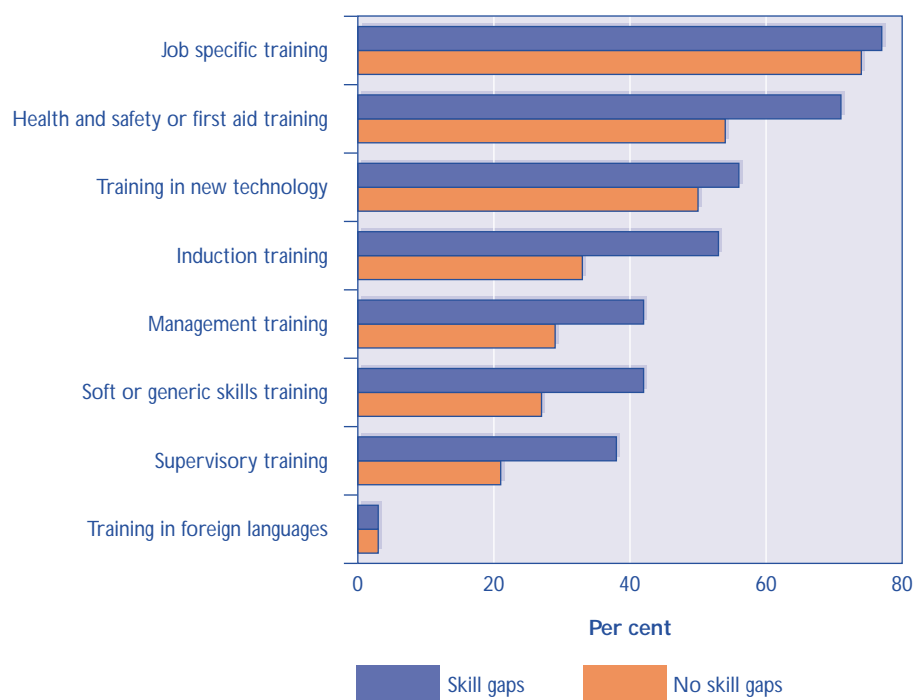
Source: Labour Force Survey

measure, 7 per cent of employers were classed as having skill gaps.

Employers with skill gaps were more likely to train: 48 per cent provided off-the-job training, compared with

39 per cent for those without skill gaps. Looking at the specific types of training provided, those establishments which had internal skill gaps were much more likely to have engaged in

Figure 6 Proportions of employers providing off-the-job training by type of training and whether having internal skill gaps;^a England; 2001



Source: Employers Skill Survey 2001

^a As a proportion of all employers providing off-the-job training.

any of the designated types of training (see *Figure 6*). The only exception to this was job-specific training, where the difference between those establishments with and without skill gaps was small.

The 2001 ESS examined the relationship between the training provided by establishments with internal skill gaps and the specific skill they reported as lacking. Those establishments providing different types of training were more likely to report a lack of each of the skills investigated than establishments not providing training. For example, establishments providing training in new technology were considerably more likely to report a lack of advanced IT skills than those not providing such training (34 per cent, compared with 16 per cent). Those establishments providing job specific training were more likely to report a lack of other technical and practical skills (38 per cent, compared with 24 per cent) and establishments providing induction training were more likely to report a lack of customer service skills (37 per cent, compared with 23 per cent).

The results point towards increased training being a response to skill gaps. When specifically asked, a clear majority (72 per cent) of employers cited provision of further training (sometimes in conjunction with other actions such as changing work practices) as an action taken to overcome skill gaps.

Management of training and training delivery

In LTW 2001, employers were asked about the existence of training plans and budgets. Of these:

- three out of five employers had a business plan;
- half had a training plan;
- two out of five had a training budget; and
- a third had a human resources plan.

The existence of all four planning tools had decreased since the 1999 and 2000 studies.

Employers were also asked about the existence and commitment of resources for training. Some 76 per cent of employers who provided off-the-job

training had a member of senior management with responsibility for training within their organisation. One third of organisations (36 per cent) providing off-the-job training had training staff to design and teach training courses, and almost a third (30 per cent) of organisations had a separate training facility. These figures were similar to those found in 2000 and 1999. This suggests that those employers who do train are still engaging in the supply of resources.

Training leading to a formal qualification

Of those employers who provided off-the-job training, 55 per cent reported that some of this training was leading to formal qualifications. Where training was leading to formal qualifications, this was most likely to be NVQs, cited by 52 per cent of such employers. Also named were 'other nationally recognised qualifications' which included the more traditional qualifications such as City and Guilds or BTEC (43 per cent), higher qualifications such as degrees (27 per cent) and company specific qualifications (26 per cent).

Awareness of, and involvement with, training initiatives

NVQs are the training initiative with the highest level of awareness among employers – 94 per cent were aware of them. Additionally, half or more of employers had heard of New Deal and Advanced Modern Apprenticeships (formerly known as Modern Apprenticeships). However, with the exception of Learning Partnerships and Foundation Modern Apprenticeships, there was a decline in the awareness of many initiatives since 2000.

The 2001 LTW found that 45 per cent of employers had been involved with government training initiatives. The highest proportion of employers were involved with NVQs (33 per cent). Fewer than 10 per cent of employers were involved with any other initiative.

The TSF found that 13 per cent of all small firms were involved with one or more government training initiatives, with around a quarter of 'strategic trainers' being involved, compared with 11 per cent of 'tactical trainers'. The main reasons given for non-involvement were 'irrelevance of initiatives to firms' needs' (28 per cent), 'lack of information about initiatives' (25 per cent), 'no need for further training' (19 per cent) and 'lack of time to become involved' (12 per cent).

Conclusion

Many employers continue to invest in training and learning opportunities.

However, there are still a considerable number of employers, particularly small firms, who do not provide any training for their employees.

Over recent years there has been a rise in the proportion of employees participating in training. However, the same period has seen a fall in the average length of training. As training episodes become more frequent but shorter in length there may be little change in the total volume of job-related training.

Of those employers who did not provide training, most cited a lack of demand for it, stating that the skills of their employees currently met their needs. Supply-side issues such as the

financial costs and a lack of time were also commonly given as reasons. This was particularly so among small employers. This suggests the need to address barriers on both the supply side and the demand side in order to encourage wider provision of training by employers.

Notes

- 1 Dearden, L., Reed, H. and Van Reenen, J., *Who Gains When Workers Train?*, London, IFS (2000).
- 2 For an earlier article on the Employers Skill Survey 2001, see pp431-2, *Labour Market Trends*, September 2001.
- 3 For an article on Learning and Training at Work 2000, see pp253-8, *Labour Market Trends*, May 2001.

Further information

For further information about this article and the Learning and

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Research Reports from Learning and Training at Work 2001 (RR334), Employers Skill Survey 2001 (SKT40) and The Nature of Training and Motivation to Train in Small Firms (RR330) can be downloaded from the Department for Education and Skills website:

www.dfes.gov.uk/research/programmeofresearch/index.cfm?type=5.

Further analysis of the Employers Skills Survey 2001 is available from the Skillsbase website:

www.skillsbase.dfes.gov.uk/database/database.asp?Sect=11.