

## HIGHER LEVEL SKILLS – THE ROLE(S) OF EMPLOYERS

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### What follows:

- Tries to explore the potential contribution of employers to higher level skills provision.
- Tries to explore sub-degree (L4&5) provision within the context of broader issues and debates about the role and capacity of firms to train.
- Tries to see L4&5 provision in historical perspective
- Tries to see L4&5 provision within the wider context of other reforms – apprenticeships, levy, T levels, etc.

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### Thinking about employers

Policy often talks about 'employers' as though they were a single, homogeneous group. They aren't. They differ by:

- Size
- Sector
- Ownership structure (private, public, co-op, foreign, private equity, etc)
- Competitive and product market strategy
- Technology
- Location, etc

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**Back in the day.....**

Up until the end of the 1970s, in many parts of the country a significant % of male school leavers went into apprenticeships in engineering, construction, electrical trades, plumbing, motor vehicle repair, shipbuilding – all managed by employers.

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**And.....**

At the same time, many large employers (ICI, BP, Shell, NCB, BBC, BR, British Gas, British Steel, British Shipbuilders, GPO telecoms, electricity boards, CEEB, aerospace firms) offered technician training (HND/HNC), with day release or night school. In all but name, these were higher level apprenticeships (the apprenticeship label was avoided for industrial relations reasons).

**Employers really were co-producers and an integral part of the E&T system.**

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**At degree level.....**

Within a much smaller HE system, sandwich course degrees were a well-established element of provision, especially in areas like engineering.

Employers provided placements and were often involved in course design.

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### And employers had a hand in systems governance

Between 1964 and 1981 employers in many sectors were responsible for running (in partnership with the relevant trade unions) their sector's statutory Industrial Training Board (ITB).

At national level, they had 1/3<sup>rd</sup> of the seats on the tripartite quango – the Manpower Services Commission - that designed and ran publicly-funded training for the employed and unemployed.

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### Come the recession of the early 1980s

- This whole world was decimated. The privatisation of nationalised industries added to the decline of both apprenticeships and technician training.
- The ITBs and MSC were abolished by the Conservative government
- Employers lived off past investments in human capital, and lobbied government for FE and HE to do more.

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### By 1993....

David Soskice was writing in the *Oxford Review of Economic Policy* that a N. European style E&T system where employers helped in initial skill formation was dead, and that we would have to model ourselves on the USA, where mass tertiary education produced the social and technical skills needed for the future workforce.

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### Tony's pledge

Mass HE arrived, with Tony Blair's famous target of 50% of the 18-30 cohort gaining an 'HE experience'.

The CBI asked if 50% was high enough.

**Now scroll on a few years.....**

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### As time passes, and skills policy does not deliver the intended outcomes:

A re-discovery of the need to secure employer input gradually emerges:

1. **Employers as co-designers**
2. **Employers as co-investors**
3. **Employers as co-producers**

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### Attempts to re-invent employer involvement in E&T

- Demand-led skills policy (2003 skills strategy, then the Leitch Review of Skills, 2006)
- Employer ownership (UKCES, Charlie Mayfield's 'inconvenient truth...', co-investment and the EO pilots)
- Employer leadership (trailblazers and the levy – involuntary 'leadership!')
- CIHE reconstituted as NCUB

Employer demand for skills ought to be driving provision.  
Employer usage of skills ought to be driving productivity growth.

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### Policy assumes.....

Current competing policy models:

1. Employer as detached, but discerning customer
2. Employer as forced funder/customer (via levy) – billed as employer leadership
3. Employer as partner/co-producer, and an integral part of the E&T system

Given current policy ambitions, only 3 actually works.

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### Without partnership, is successful policy possible?

Employer engagement in and with:

1. future skill need forecasting,
2. curriculum and qualification specification/design,
3. work placements for all types of students, apprenticeship provision (e.g. T levels, Shadbolt Review)
4. and adult re/up-skilling in and through work

**IS VITAL to deliver current policy objectives**  
**In-company training capabilities and capacity is critical to supporting this. It is not optional!**

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### What's the record of employers?

1. Future skill need forecasting – extremely poor track record ('it's all too hard...'). Forecasts are derived from occupational growth models, not employer skill planning, as this doesn't exist. Other countries do it better, in part because employment protection and sometimes co-determination mean that HR planning matters. Scotland is leading the charge in the UK on changing this via SIPs.

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**Course design inputs from employers**

*"a clear challenge is that employers are often divided on where the problem lies....we found that employers disagree on what technical skills Computer Sciences students should be taught, although the balance of evidence points to support for HE providers teaching the fundamental principles of Computer Science, and encouraging and enabling students to learn and adapt to new technologies over their careers. This runs counter to an opposing school of thought that has been evident from some employers, that suggests that they want graduates with the skills that reflect the most up to date technological trends"*

Shadbolt Review, 2016

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**Some universities have made major strides in re-inventing sandwich courses**

For example, at Aston 80 percent of undergraduate students do a work placement (up to one year), while others are supported in exploring setting up their own business.

But overall, work placements are still a bottleneck, and employers face competing demands – 14-16, VI form, FE, apprenticeships, U-G degree students, masters, etc.

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**Employers' own training efforts**

**PIACC Data**

- Employer skill demand in the UK is relatively weak – 2<sup>nd</sup> lowest out of 22 countries in terms of employer demand for workers educated beyond compulsory schooling.
- UK workforce over-qualification levels were 2<sup>nd</sup> highest (after Japan)

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### Employer retreat rather than employer leadership!

Between 1997 and 2017, the rest of the UK outside of London witnessed a fall of 61% in the number of training hours per person being trained (62% in London), and a 65% fall in the number of training hours per persons employed (72% in London).

**These are massive falls and this is a long-term trend, to which no end appears to be in sight!**

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### In the case of L4/5

To revive/expand L4/5 provision will require:

1. The design of qualifications and curricula that meet genuine employer need, across a range of sectors and occupations
2. The on and off-the-job components will need to be integrated into a coherent package of learning, which implies in-company HRD capacity and a work environment/job design that can support rich learning (e.g. job rotation, project work)
3. Close co-operation between the off-the-job provider and the employer.

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### Employer capacity rests upon:

- In-company trainers – quality, qualifications, numbers, capacity and role
- Funding and the function's remit/reach in the firm
- Support from senior management
- Ability to work in partnership with line managers/supervisors
- Demand for skills, and structure of work organisation, job design and people management practices, which sets workplace learning environment.

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**Unfortunately, our knowledge base on this is very limited**

- We don't have a robust knowledge base about the state of, or status of, the UK's in-company training/HRD function or its staffing.
- Wider evidence on the state of HR/people management (especially in SMEs) is not encouraging. J.P. Morgan Foundation project with CIPD on HR for SMEs.

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**We don't know because we don't WANT to know**

Despite repeated promptings over the years to try and find out more about in-company HRD capacity, directed at BIS, DfE and various other official bodies, absolutely nothing has been done. The complete lack of enthusiasm with which these calls for research were met suggests a reluctance to uncover what might turn out to be bad news. What we don't know, can't upset us (ignorance IS bliss)!

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**Big Issues 1:**

- Encouraging employers to think beyond graduates as the answer to all higher level skill problems.
- Encouraging employers to see technician roles as important.
- Encouraging employers to recognise that they will need to partner and co-produce in order to get the skills they need for their particular workplace, whether at graduate or sub-degree level.

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**Big issues 2:**

1. Individual firms in-company HRD capacity – what is it and how could we increase it?
2. Collective organisation of employers to deliver higher level, higher quality E&T – GTAs, but also sectoral bodies. In no other developed country does government seeks to engage with employers on an individual firm basis. Collective organisation and action is the norm. Policy has shifted from SSCs to trailblazers. Do trailblazers work as a model for getting employers to specify qualifications and curricula? Do they work as a model for mobilising collective employer involvement in delivery? Industrial Strategy Sector Deals – can have a skills component, but what does this entail?

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**Big Issues 3:**

Breadth versus depth – how much role/individual job (e.g. non-destructive testing technician) specific knowledge and skills versus how much broader engineering skills and knowledge?

The Royal Academy of Engineering's take on T level specification went for "primarily knowledge, skills and behaviours needed by all occupations in engineering and manufacturing", plus a small amount specific to a specific job.

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**L4&5 and LLL**

Policy tends to see L4/5 as part of initial, front-loaded skills acquisition. Two issues arise:

1. How can we design L4/5 packages of learning that will act as the foundational platform for subsequent LLL and re- or upskilling?
2. To what extent will L4/5 provision be an adult offer, rather than an initial E&T offer to young people. Are L4/5 qualifications liable to act as a career upgrade, progression route for existing employees?

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### Big Issues 4:

- Once initial technician training is complete, how best are skills to be updated and enhanced over a working lifetime?
- Refresher courses and 'bite sized' updating/upskilling offers. We obsess about initial E&T, but seem remarkably oblivious to CPD as an issue.

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### Qualifications and/or skills?

Policy continues to see qualifications as the means of differentiating E&T offerings. Insofar as some employers may be offering training in higher level skills, this may not be attached to certification, and may come in bite-sized chunks, rather than the equivalent of a 'full' L4/5.

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### Next steps:

1. Some research – data gathering for the big picture and some case studies – on in-company HRD capacity and its role(s) in the UK.
2. Some pilot action research around different ways to strengthen and develop in-firm HRD
3. Further thinking and exploration about the role of collective employer organisation and action to support HRD design and delivery (especially in SME-dominated sectors).

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