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UK Commission's Employer Perspectives Survey 2014

Jan Shury, David Vivian, Katie Spreadbury, Andrew Skone James and Mark Tweddle

IFF Research

Rebecca Jones, Research Manager

Dr Susannah Constable, Senior Manager

UK Commission for Employment and Skills

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Foreword

We are starting to see the UK economy strengthen in terms of employment and output as we emerge from recession, yet challenges remain if we are to achieve sustained economic growth in an era of increased technological specialisation and global competition. Enhancing the knowledge and capabilities of the UK's workforce and creating more and better jobs that allow workers to use their skills effectively are crucial if our productivity rate is to match that of our international competitors.

The UK Commission's Employer Perspectives Survey provides insight into the thoughts and behaviour of 18,000 employers across the UK as they make decisions about how to engage with training providers, schools, colleges and individuals in the wider skills system, to get the skills they need.

This report shows that recruitment activity has increased slightly over the past two years and the most common factor rated as critical or significant by employers looking at potential recruits is relevant work experience.

The survey indicates that more employers are recognising the business benefits of work experience placements, and are starting to use placements as a recruitment tool. Disappointingly, just two fifths of employers offered some form of work placement opportunity and only a fifth engaged with schools, colleges and universities to provide work-related learning opportunities. However, when they do, the vast majority do so without difficulty. So, the challenge is to build on this, encourage more businesses to work with young people and offer more opportunities for them to gain an introduction to the world of work.

While the majority of employers are training and continue to invest in meeting their skills needs, relatively few are engaging with training providers in the co-design of course content. There is greater scope for employers to contribute to shaping the training offer and help ensure that training is more responsive to the needs of business and their workers.

Encouragingly, more UK employers are now offering Apprenticeships than was the case at the time of our last survey. Traditional Apprenticeship offerings remain in

Manufacturing and Construction, yet there is room for growth among smaller employers and in other sectors of the economy.

The UK Commission for Employment and Skills, a social partnership led by Commissioners from large and small employers, trade unions and the voluntary sector, is dedicated to improving the future of workforce skills in the UK by providing access to investment, world-class research and expert insight. The findings of this survey will help shape our approach as we continue to work with and through our partners to develop solutions to the UK's skills challenges.

Grahame Smith,
General Secretary, Scottish Trades Union Congress

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Jan Shury

Joint Managing Director, IFF Research Ltd.

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Executive Summary

Introduction

This report presents findings from the 2014 UK Commission Employer Perspectives Survey (EPS), the third biennial survey in this series. It provides insight into the thoughts and behaviour of over 18,000 employers across the UK as they make decisions about how to engage with training providers, schools, colleges and individuals in the wider skills system, to get the skills they need. Key areas covered in this report include: training; work experience; collaboration with schools, colleges and universities; Apprenticeships and recruitment, including of young and old people.

The EPS is carried out in alternate years with the Employer Skills Survey series (ESS), which is the definitive source of intelligence on employer skills needs in the UK. The two survey series have been designed to complement each other in providing a clear picture of the skills challenges faced by employers across the UK.

Methodology

The Employer Perspectives Survey 2014 was a large-scale, telephone-based survey of 18,059 establishments across all sectors of the economy (including the public and not for profit sectors) in England, Scotland, Wales and Northern Ireland.

The sample was designed and weighted to be representative of the UK employer population as a whole¹. Interviews were conducted at an establishment level, with the most senior person at the site with responsibility for human resources. In smaller establishments this was typically the owner or managing director or the branch manager, and in large establishments this was typically the human resources manager.

Coverage

The EPS provides insight into employers' perspectives on the skills system (both public and private). It covers: the channels they use to recruit; information on who provides their training; their level of engagement with Apprenticeships, vocational qualifications and National Occupational Standards; their involvement in work experience and wider collaboration with schools, colleges and universities and the nature of their own networks.

¹ Establishments in the UK with at least two people working at them (either as employees or working proprietors)

It is intended that this report be used alongside a number of other outputs from the survey. Data tables have been published with this report on the gov.uk website, and national toolkits will be released in early 2015.

Employer Perspectives on Recruitment

The proportion of employers recruiting has risen slightly since 2012. Around half of employers (49 per cent) recorded at least one vacancy in the 12 months preceding the survey compared to 48 per cent in 2012. By industry, Non-Market Services (68 per cent) and Trade, Accommodation and Transport (54 per cent) had the highest levels of recruitment. Recruitment activity was lower in Northern Ireland when compared with the rest of the UK.

Around three quarters of employers used free to use private recruitment channels such as word of mouth, their own website, internal notices or through other free websites.

Word of mouth continues to be the most commonly used private recruitment channel, used by 30 per cent of employers. Since 2012, there has been an increase in use of social media as a recruitment channel (from three to seven per cent), but this remains substantially less used than other more established ‘private free’ channels. Just under four in 10 recruiting employers (38 per cent) had used free to use public channels such as Jobcentre Plus and government schemes and programmes.

Smaller employers were particularly likely to rely solely on private free channels, with almost half of small recruiting employers only using private free channels. Large employers on the other hand tend to use a greater range of recruitment channels. Recruiting employers in Northern Ireland demonstrated quite different patterns in their use of recruitment channels when compared to the other nations, driven in part by a higher use of the Jobs and Benefits Office/Jobcentre.

Relevant work experience was rated by two-thirds of recruiting employers (66 per cent) as being a critical or significant factor looked for in candidates. Core Maths and English skills followed next, rated as critical or significant by 57 per cent of recruiting employers. Around half of recruiting employers rated vocational and academic qualifications as critical or significant. Over time, the importance employers attach to both academic and vocational qualifications when recruiting has increased.

There has been an increase in the proportion of employers that had recruited a young person compared to 2012, but this was in line with an increase in recruitment generally. Word-of-mouth or personal recommendation persists as the most popular recruitment method for recruiting young people, and was used by just under a quarter of employers (23 per cent) who had recruited a young person in the last 12 months. Perhaps surprisingly, company websites are far less likely to be used to recruit young people (14 per cent) compared to all age-groups more generally (21 per cent). Social media was used by only 4 per cent of employers to recruit their last young person.

Overall, two-thirds of recruiting employers (66 per cent) had taken on someone under the age of 25 in the last 12 months (an increase from 62 per cent in 2012). The recruitment of young people was most common among employers in the Trade, Accommodation and Transport sector (almost three-quarters of employers in this sector had done so). On the other hand, three in 10 of recruiting employers had taken on someone aged 50 years or older (29 per cent).

Three in 10 employers had recruited education leavers into their first job in the last two to three years. On the whole these employers generally found them well prepared for work, with the level of preparedness increasing with the level of education. Over eight in ten employers found university graduates to be well prepared for work

Employer Perspectives on Work Experience

Approaching two-fifths (38 per cent) of employers had provided individuals with work placements, while 18 per cent had conducted 'work inspiration' activities with people in education (such as mock interviews, delivering talks and holding site visits for students). Overall, 44 per cent of employers were involved in one or other of these activities. The employers who offered work inspiration were not simply a sub-set of the larger group of employers who offered work placements. While 12 per cent offered both types of work experience, around a quarter of employers had taken individuals on to work placements but not conducted any work inspiration activities. **There is evidence that work experience is being used as a recruitment tool by employers, as 28 per cent of those that had provided a placement (11 per cent of all employers) said that they had done this to help with recruitment.**

Work placements were most commonly provided for people in education, although employers also offered internships, work trials and placements aimed at the unemployed. Employers in Northern Ireland were more likely than the rest of the UK to have used work placements, but less likely to have subsequently taken on individuals into long-term roles. There is considerable variation between sectors in the extent to which placements are offered. Typically, large establishments and those in the Non-Market Services sector were more likely to have used work placements, whilst the Construction and Manufacturing sectors were least likely to offer work placement opportunities.

Employers tended to offer work placements for altruistic reasons (such as wanting to give young people experience, or as a part of their corporate social responsibility policies). **However, the proportion citing reasons relating to corporate benefit has increased since 2012**, whilst the level citing altruism has decreased.

The vast majority of employers who were involved in work inspiration activities did not experience difficulties engaging with schools, colleges or universities. Eight per cent of those that had engaged with schools or colleges, and four per cent that had engaged with universities had faced difficulties. Employers in Health and Social Work were more likely to cite difficulties engaging with schools, as were Third Sector employers, when engaging with schools or colleges.

Employer Perspectives on People Development

The majority of UK employers train their staff (almost seven in ten). Amongst those that train, **internal training provision is more common** (58 per cent provide it), but a considerable proportion of employers use external providers to deliver their training (45 per cent). **Both types of training however have decreased since 2012**, internal training in particular (from 63 per cent in 2012 to 58 per cent in 2014).

There is an imbalance in the use of private and public providers for external training, with private providers much more likely to be used, and the gap is widening. Of employers that train, 60 per cent had used private providers compared to 15 per cent who had used public providers, such as FE Colleges or Universities and other HE institutions. Since 2012, the gap has increased with use of private provision increasing by five percentage points and use of public provision decreasing by four percentage points. Large employers and those in Construction and the Non-Market Services sector were the sub-groups where use of public provision has shown the largest percentage point decrease. The majority of employers using private training providers said that they funded all of that training themselves. However around a quarter (23 per cent) had received support with this funding. Around half of establishments who are using public training providers report that they are funding this training entirely.

Employers tend to make their training choices based on the *relevance* of provision: 65 per cent of those choosing public providers chose their provider because their course offering was relevant, as did 57 per cent of employers using private provision. Conversely, half of employers who opted for a private provider rather than a public one (49 per cent) did so because they felt that public providers did not offer relevant courses. This was less commonly given as the reason for not using private providers.

A quarter of establishments (26 per cent) offer training that is designed to lead to a vocational qualification, consistent with the 2012 survey. Most of these employers perceive benefits (both for themselves as employers and for the individuals who achieve the qualifications). However, **the barriers that prevent more employers providing training designed to lead to vocational qualifications most commonly relate to issues of supply,** such as the fact that they are perceived to be too complicated (reported by 21 per cent of employers who had not arranged or funded training designed to lead to a vocational qualification), and too bureaucratic (20 per cent) and/or to take too long to deliver (19 per cent).

Around one-sixth of employers (17 per cent) had worked with other employers to access, develop or share expertise on skills and training. The nature of these working relationships was equally likely to be formal or informal / ad hoc. Half of employers who had collaborated in this way (50 per cent) said they had benefited from sharing best practice with other firms. Employers in the Manufacturing sector were notably less likely than average to have worked in such a collaborative manner with other employers.

Employer Perspectives on Apprenticeships

Fifteen per cent of all employers in the UK offered formal Apprenticeships (following a framework and designed to lead to a nationally recognised qualification). Employers in England, large establishments and those in the Non-Market Services, Manufacturing and Construction sectors were more likely to offer formal Apprenticeships. **The proportion of employers offering formal Apprenticeships has increased since 2012 (from 13 per cent to 15 per cent).**

Half of establishments offering formal Apprenticeships offered them only to new recruits (50 per cent), just over four in 10 offered them to both new and existing staff (41 per cent) and eight per cent offered them only to existing staff.

The Apprenticeships offered appear to be of variable quality, taking typical length and number of hours per week away from job role to train, study or meet their supervisor as indicators of quality. **Twelve per cent of employers offered short duration Apprenticeships lasting less than 12 months.** These short duration Apprenticeships were more common among establishments of five or more employees, as well as those in the Trade, Accommodation and Transport sector and the Non-Market Services sector. In addition, despite the majority of those employers offering Apprenticeships (96 per cent) provided formal training (either in the form of training delivered by a training provider, or delivered by the employer in-house), the amount of time spent training varied considerably. **Apprentices typically spent an average of seven hours per week on activities that are not part of their job role (such as training, studying, or meeting with their supervisor) but a quarter of employers (26 per cent) said that their apprentices spent less than 3 hours on these activities per week.**

There remains significant desire among employers not currently engaged in Apprenticeships to offer them in the future (24 per cent), while the vast majority of those currently engaged in formal Apprenticeships (88 per cent) planned to continue offering them in the future. Overall, a third of all employers in the UK (34 per cent) said that they plan to offer formal Apprenticeships in the future.

1 Introduction

1.1 Background

This report presents the findings from the UK Commission's Employer Perspectives Survey 2014 (EPS 2014), the third in a series of large-scale biennial surveys of employers. EPS 2014 gives an insight into the thoughts and behaviour of 18,000 employers across the UK as they make decisions about how to engage with training providers, schools, colleges and individuals in the wider skills system, to get the skills they need².

Over the course of this series the UK economy has moved from recession into economic growth. However, analysis conducted by the UK Commission has highlighted the need to address deep-rooted structural skills and employment challenges in order to ensure that the conditions are created for a prolonged, balanced, structural recovery³.

Central to achieving this aim is the need for robust, high quality labour market intelligence which helps businesses and people to make the best choices for them, and evaluates the impact of employment and skills policies.

In this context, the UK Commission has developed a research programme at the heart of which are two core repeat surveys: the Employer Skills Survey series (ESS), and the Employer Perspectives Survey series (EPS). The two series (which run in alternate years) have been designed to complement each other in providing a definitive picture of the skills and recruitment challenges faced by employers across the UK.

ESS measures the nature and prevalence of skills issues, how and why they come about and the impact that they have on businesses and organisations. EPS provides detailed insight into employers' perspectives on the skills system (both public and private). This includes their interactions with colleges and universities through offering Apprenticeships and through their engagement with these institutions in offering work experience and vocational qualifications. The survey explores the ways in which employers behave in terms of their recruitment, training and people development activities, and in terms of collaboration / networking with other employers. EPS also allows us to explore how and where Government-funded support and other more 'market-based' solutions (such as collaboration between employers) are currently being used by employers in the UK to support their skills development needs.

² The first Employer Perspectives Survey was conducted in 2010; it was developed from an earlier survey which was introduced in 2004 by the Sector Skills Development Agency (SSDA). The 2nd in the series was conducted in 2012.

³ Reference "Climbing the ladder: skills for sustainable recovery"

EPS 2014 constitutes an extensive research evidence base. The project involved more than 18,000 interviews with employers representing the entire UK employer population, across all parts of the country, operating in all sectors and across all size bands. The survey is therefore able to respond to requirements for labour market intelligence from the UK countries (England, Northern Ireland, Scotland and Wales) right through to the local LEP level in England.

The main evidence report delves into this rich data source, but goes far from exhausting it. Headline findings are presented from the 2014 survey, highlighting where important differences exist between different types of employer and, where possible, it tracks significant changes and developments over time.

It is intended that this report be used alongside a number of other outputs from the survey, including data tables (which have been published in tandem with this report on the gov.uk website) and national toolkits which will be released in early 2015, and alongside the UK Commission's other [LMI products](#), in order to support policy development and evaluation across a range of areas.

1.2 Methodological overview

The Employer Perspectives Survey 2014 was a large-scale, telephone-based survey of 18,059 establishments across all sectors of the economy (including the public and not for profit sectors) in England, Scotland, Wales and Northern Ireland. Below we briefly summarise the key features of the survey methodology. Further details can be found in the separate [EPS 2014 Technical Report](#) which accompanies this report.

1.3 Survey sampling

The survey was designed to be representative of all establishments in the UK in which at least two people work⁴. "Establishments", in this sense, denotes specific individual sites or premises; thus if an organisation has several sites, it is possible that more than one of these sites will have appeared in the sample. The survey encompasses establishments across the full geographical spread of the UK, in all sectors of the economy (across the commercial, public and charitable spheres).

⁴ The survey has been designed and conducted at the establishment level rather than the enterprise level, since it is at individual establishments where experiences of workforce issues are most acutely felt, and where most recruitment decisions are made

Target numbers of interviews to be achieved were initially set for each UK country. Establishments in the devolved administrations were over-sampled to enable sub-group analysis in these nations and to increase the potential of the survey to accurately describe the perspectives of employers in Scotland, Wales and Northern Ireland.

Within each country, a stratified random sample approach was used, with targets set on an interlocking basis for the numbers of interviews to be achieved within each of five size bands (defined in terms of the number of people on the payroll at the establishment), and each of the 14 SIC sector categorisations.

Targets for the numbers of interviews to be achieved with establishments of different sizes were initially set to a purposive design which aimed to balance the tension between maximising the potential for subgroup analysis on the one hand (by not allowing the smallest employers, which account for the vast majority of establishments, to dominate), and maximising the efficiency of the sample on the other (by not straying too far from a “natural” distribution of different sized employers).

The sector targets were then set to be representative of the population of establishments in each size band in each country⁵.

The approach to sector sampling represented a small change to the approach pursued in 2012, when six sectors were used, in line with the definitions used in the UK Commission’s Working Futures series. The decision to move back to a more detailed 14-sector sampling framework was intended to enable greater granularity in reporting (where there is a demand for such granularity, either because the survey data merit further investigation or in order to inform specific sector or local imperatives and initiatives). It is not always possible to report at this more detailed level, however; in particular, the Agriculture, Forestry and Fishing, Mining and Quarrying, and Electricity Gas and Water Supply sectors are small sectors which are represented in the survey through a relatively small number of interviews. Consequently, where the survey reports at a more detailed sector level, it uses a 12 sector grouping which merges these two sectors into a single ‘Primary and Utilities’ sector grouping. The different levels of classification map easily to each other (see Appendix B) and this, combined with the fact that the sample is stratified by sector directly in line with the business population, means that there is great flexibility in our ability to move between the two levels in reporting, satisfying both the need for time series and the drive for more detail / more familiar sector classifications.

⁵ Quota targets were set rather than allowing interviews to fall out naturally to ensure that there was no skew in the achieved sample caused by differential rates of response among establishments in various sectors.

The profile of the population was established through the Office for National Statistics (ONS) based on data from Inter-Departmental Business Register (IDBR) March 2014 statistics.

Sample (contact details for employers) was sourced from Experian's commercial database of establishments, supplemented by some records supplied through the IDBR (in order to ensure full representation of establishments in certain non-commercial sectors in particular).

Interviews were sought with the most senior person at the site with responsibility for human resource issues. In smaller establishments this would typically be the owner or managing director; in larger establishments this was often the Human Resources Manager or Personnel Manager.

1.4 Survey questionnaire

The survey questionnaire was developed from the questionnaire used in 2012. This questionnaire was reviewed and revised to reflect current policy priorities, to build a time series around the experiences and outcomes from earlier surveys and also from the ESS series. A copy of the final questionnaire is available in the Technical Report found on gov.uk.

An initial questionnaire was piloted by IFF Research in March 2014, with 50 interviews completed across a range of establishments. This was followed by 10 cognitive interviews focusing on a small number of specific aspects of the questionnaire. Further (minor) amendments were made based on the lessons from these exercises, and the final questionnaire was agreed by the Steering Group in April 2014.

1.5 Survey fieldwork

Fieldwork for the survey was undertaken between April and July 2014, involving 18,059 telephone interviews using computer-assisted telephone interviewing (CATI) software. Interviews lasted around 24.5 minutes on average.

The survey achieved a strong overall response rate of 41 per cent, which is broadly in line with the 42 per cent response rate achieved in the 2012 survey. Table 1.1 outlines response rates across countries, ranging from 39 per cent achieved in England to 45 per cent in Wales.

Table 1.1 Survey response rates by country

	UK	England	Northern Ireland	Scotland	Wales
Overall and by Country					
Interviews	18,059	10,032	2,005	4,015	2,007
Response rate (%)	41	39	43	42	45

1.6 Data weighting and statistical reliability

Findings from the survey have been weighted and grossed up to reflect the total population of UK establishments with two or more people working in them⁶. The weighting was designed and undertaken on an interlocking size and sector basis separately for each country.

Table 1.2 below details the statistical reliability of findings from the Employer Perspectives Survey against the main country and size cross-breaks. Based on a hypothetical survey finding of 50 per cent where the base is all establishments, upper and lower bounds are shown at the 95 per cent confidence level. Where the table indicates that a survey result based on all respondents has a sampling error of +/- 0.8 per cent, this should be interpreted as follows: 'for a question asked of all respondents in this group where the survey result is 50 per cent, we are 95 per cent confident that the true figure lies within the range 49.2 per cent to 50.8 per cent'.

Table 1.3 details the statistical reliability of findings against the main *sector* cross-breaks.

⁶ As established through the Office for National Statistics (ONS) based on data from Inter-Departmental Business Register (IDBR) March 2014 statistics.

Table 1.2 Statistical robustness of findings by country and establishment size

	Number of interviews achieved	Population	Confidence interval for findings of 50%
Overall			
UK	18,059	1,766,837	±0.7
By country			
England	10,032	1,488,170	±1.0
Northern Ireland	2,005	54,518	±2.2
Scotland	4,015	142,947	±1.5
Wales	2,007	81,202	±2.2
By number of employees			
2 to 4	4,223	907,993	±1.5
5 to 9	4,284	393,556	±1.5
10 to 24	4,068	275,062	±1.5
25 to 99	3,834	151,514	±1.6
100 or more	1,650	38,712	±2.4

Table 1.3 Statistical robustness of findings against key sector variables

	Number of interviews achieved	Population	Confidence interval for findings of 50%
By broad sector			
Primary sector and utilities	962	109,145	±3.2
Manufacturing	1,213	98,627	±2.8
Construction	1,465	158,790	±2.6
Trade, accommodation and transport	5,753	582,843	±1.3
Business and other services	4,968	606,989	±1.4
Non-market services	3,698	210,443	±1.6
By detailed sector			
Primary sector and utilities	962	109,145	±3.2
Manufacturing	1,213	98,627	±2.8
Construction	1,465	158,790	±2.6
Wholesale and retail trade	3,580	371,231	±1.6
Hotels and restaurants	1,649	159,893	±2.4
Transport, storage and communications	1,165	128,789	±2.9
Financial services	486	38,259	±4.4
Real estate, renting and business activities	2,613	363,789	±1.9
Public admin. and defence; compulsory social security	466	19,814	±4.5
Education	1,122	58,124	±2.9
Health and social work	2,110	132,505	±2.1
Community, social and personal service activities	1,228	127,871	±2.8

1.7 Understanding the establishment population

In this section we briefly describe some of the key characteristics of the UK employer population that will form the basis of analysis throughout the report⁷.

ONS data from March 2014 show that there were 1.8 million establishments of two or more employees in the UK who were “in-scope” for this research⁸ and that between them these establishments employed 27.8 million people.

The vast majority of employers are small: 51 per cent employed fewer than five staff, and around 89 per cent employed fewer than 25 staff. In terms of the workforce, however, the larger establishments account for a greater proportion of the UK workforce. More specifically:

- Establishments with fewer than five employees employ 2.4 million staff (nine per cent of the UK workforce);
- Establishments in the 5-9 sizeband employ 2.6 million staff (nine per cent of the workforce);
- Those in the 10-24 sizeband employ 4.1 million staff (15 per cent of the workforce);
- Those in 25-99 sizeband employ 6.9 million staff (25 per cent of the workforce); and
- Establishments with 100 or more employees account for 11.8 million workers (42 per cent of the UK workforce).

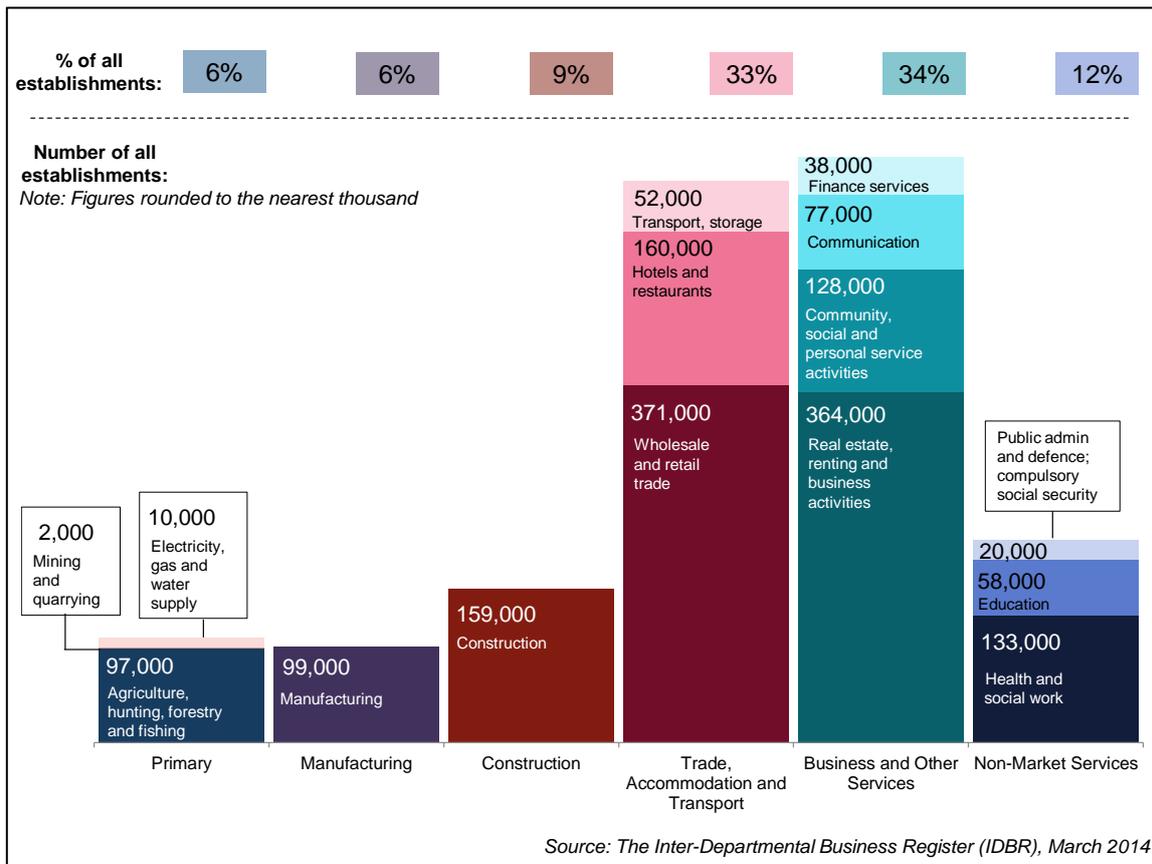
The survey design was predicated on a detailed 14 sector definition, in line with the two digit-level Standard Industrial Classification (SIC) codes. For ease of analysis and for comparison with the 2012 survey, the report often presents findings based on the six sectors used for the UK Commission’s Working Futures series (Wilson and Homenidou, 2012). The 14 sector and six sector definitions map readily to each other (see Figure 1.1; which also highlights the relative size of each sector in terms of the number of employers each encompasses).

The number of establishments within each sector differs considerably. The two largest sectors, Trade, Accommodation and Transport and Business and Other Services account for two-thirds of all establishments in the UK (33 per cent and 34 per cent, respectively). In comparison, the Primary Sector and Utilities and the Manufacturing sector each represent just six per cent of all establishments.

⁷ We do this using a combination of official statistics from the Office of National Statistics (ONS) and the survey findings; the footnotes on each table or chart detail the source.

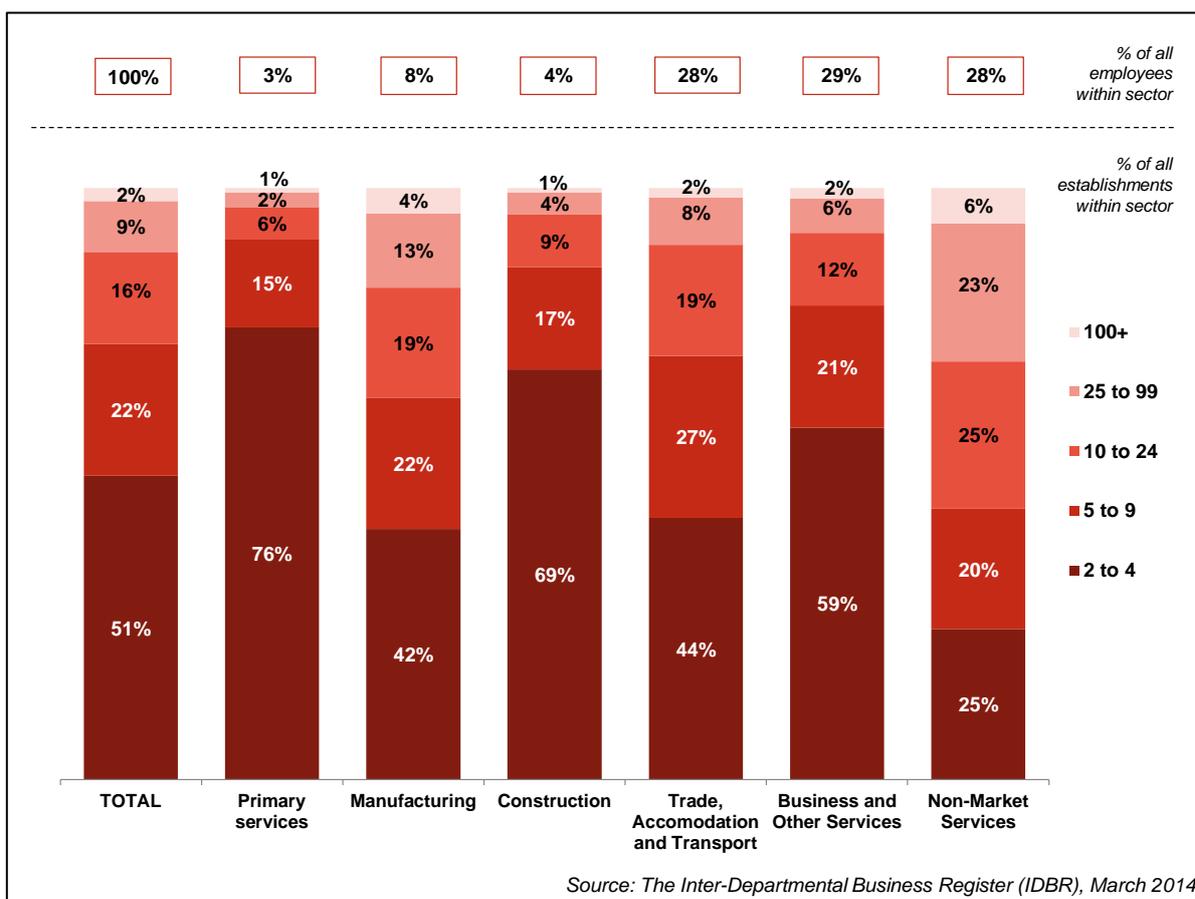
⁸ All establishments were in scope for the survey with the exception of sole traders. See technical report for further details.

Figure 1.1 The sector profile of employers



The majority of establishments surveyed were commercially-focused organisations seeking to make a profit (86 per cent). This holds true across all sector groupings although 59 per cent of establishments in the Non-Market Services sector and 13 per cent in the Business and Other Services sector were either publicly-funded (by local or central Government) or were social organisations not driven by a profit motive.

The size profile of establishments in each sector differs greatly, meaning that the distribution of establishments across the sectors is quite different to the distribution of employment across the sectors. For example, whilst a large proportion of establishments in the UK shown in Figure 1.1 are in the Business and Other Services sector (34 per cent), Figure 1.2 shows that it is dominated by smaller establishments, with 80 per cent of establishments in this sector having fewer than 10 people employed in them. On the other hand, the Non-Market Services sector only makes up 12 per cent of establishments overall, but has a higher proportion of large establishments, (28 per cent) and therefore employs a disproportionately high percentage of all UK workers.

Figure 1.2 Size distribution of establishments in each sector

1.8 How the population of establishments varies across the UK

A key feature of the EPS survey is its UK-wide dimension.

The four countries of the UK differ considerably in terms of the size of their employer populations, and to differing extents in terms of the profile of their employer population.

By far the greatest proportion of establishments in the UK is located in England (1.49 million establishments which equates to 84 per cent of all UK establishments)⁹. Consequently, when the report presents findings at the UK level these often mirror the situation in England, which can often mask underlying differences between the countries. Where this is the case we present findings separately for each of the countries of the UK.

Half of the remaining establishments in the UK are based in Scotland (around 143,000 establishments which equates to eight per cent of all UK establishments). The rest are distributed across Wales (81,000 establishments; five per cent of all UK establishments) and Northern Ireland (55,000 establishments; three per cent of all UK establishments).

⁹ Source: The Inter-Departmental Business Register (IDBR), March 2014.

As detailed earlier (see section 1.7), the majority of establishments in the UK are small and this holds true across each of the individual countries.

Similarly, the sector profiles of establishments within each of the countries of the UK are broadly consistent with each other although two patterns stand out as different:

- Employers in the Primary and Utilities sector account for around one-in-eight establishments in Northern Ireland and Wales (14 and 13 per cent respectively), compared with nine per cent of all establishments in Scotland and only five per cent of all employers in England; and
- Establishments in the Business and Other Services sector are more heavily located in England. Over a third of all establishments in England fall into this sector (36 per cent), compared to 31 per cent in Scotland, 26 per cent in Wales and 23 per cent in Northern Ireland.

1.9 Structure of the report

After this introductory chapter, the remainder of the report has then been structured into the sections detailed in Table 1.4.

Table 1.4 Report structure with summary of chapter contents

Chapter title	Brief summary of chapter content
Chapter 2: Employer Perspectives on Recruitment	<ul style="list-style-type: none"> • Employer recruitment activity over the past 12 months, including the recruitment channels used; • What employers look for when recruiting; and • Recruitment of young people and education leavers over the past 2-3 years, including perspectives on how prepared for work these recruits have been
Chapter 3: Employer Perspectives on Work Experience	<ul style="list-style-type: none"> • Employer engagement with work experience and work inspiration activities over the past 12 months; and • Perceived barriers to engaging with education institutions
Chapter 4: Employer Perspectives on People Development	<ul style="list-style-type: none"> • Employer approaches to training over the past 12 months; • Training to vocational qualifications; • Collaboration with other employers regarding workforce training and skills development; • Awareness and use of National Occupational Standards (NOS); and • Awareness and use of Investors in People
Chapter 5: Employer Perspectives on Apprenticeships	<ul style="list-style-type: none"> • Employer engagement in offering Apprenticeships; • Who Apprenticeships are offered to; • Quality of Apprenticeships (including typical duration and average number of hours each week spent on training-related activities); • Future demand for Apprenticeships (including perceived barrier to engaging with Apprenticeships in the future)
Conclusions	<ul style="list-style-type: none"> • Overall report conclusions
Appendix A	<ul style="list-style-type: none"> • Contains series of tables displaying data used in the report
Appendix B	<ul style="list-style-type: none"> • Details sector classifications by SIC 2007
Bibliography	<ul style="list-style-type: none"> • Contains information on sources used throughout the report

1.10 Reading this report

The UK Commission's Employer Perspectives Survey 2014 is a valuable research resource that can be used in a range of ways by researchers and practitioners, and also to inform policy development and evaluation.

This report is intended to provide an initial, descriptive exploration of the key data findings. The appendices to the report provide more detail on a country by country basis, and for key sub-groups of employers (Appendix A). There is also an accompanying set of data tables available on the gov.uk website which provides scope for further analysis.

It should be noted that in all cases where one group of employers is described in the report narrative as different to another, differences are statistically significant at the 95 per cent confidence level.

1.11 Reporting conventions

As noted above, the survey was carried out at an establishment level. The terms 'establishment', 'employer' and 'workplace' are used interchangeably throughout this report to avoid excessive repetition and to aid reading. It should be noted that when terms such as "all employers" or "all establishments" are used, these refer specifically to the UK population of employers / establishments with two or more employees.

Throughout the report unweighted base figures are shown on tables and charts to give an indication of the statistical reliability of the figures.

As a general convention throughout the report, figures with a base size of fewer than 25 establishments are not reported (with a double asterisk, '**' displayed instead), and figures with a base size of 25 to 49 are italicised to indicate that a note of caution is needed when interpreting them.

In tables findings of 'zero' are denoted by a dash '-'; an asterisk '*' is used if the figure is larger than zero but smaller than 0.5.

All differences noted are significant to a 95 per cent confidence level unless otherwise stated.

In some cases charts may not always add to 100 per cent and where this is the case this is due to rounding (i.e. 99 per cent or 101 per cent). It should also be noted that when combining and summarising answer codes which are presented individually in a chart but reported on a combined basis in the text (such as combining 'well prepared' with 'very well prepared' to present an overall 'well prepared' percentage), adding the individual percentages may not always sum exactly to the combined percentage due to rounding. Furthermore, in the majority of cases, 'don't know' answers have not been included in the charts.

2 Employer Perspectives on Recruitment

Chapter Summary

- Around half of employers (49 per cent) had at least one vacancy in the 12 months preceding the survey, with recruitment activity lower in Northern Ireland when compared with the rest of the UK.
- To recruit staff, employers most commonly use private free recruitment channels, such as word of mouth and their own website. Around four in 10 recruiting employers had used public free channels such as Jobcentre Plus and Government schemes and programmes. Smaller employers were particularly likely to rely on solely private free channels.
- Whilst the overall use of word of mouth has broadly remained consistent over time, it is encouraging that the proportion of recruiting employers *solely* using this channel has decreased (from 15 per cent in 2012 to 11 per cent in 2014) with this decrease being most evident among small employers with fewer than 10 employees and those in the Manufacturing and Construction sectors.
- When employers are recruiting staff, they commonly rate candidates having the relevant work experience (66 per cent said this was significant or critical) and candidates having Maths and English GCSE A*-C (57 per cent) more highly than having a particular level of achievement of academic qualifications or vocational qualifications (49 and 50 per cent respectively). Over time the value employers place on potential recruits having academic and vocational qualifications has increased.
- Overall two-thirds of recruiting employers (66 per cent) had taken on someone under the age of 25 in the last 12 months (an increase from 62 per cent in 2012). The recruitment of young people was most common among employers in the Trade, Accommodation and Transport sector (almost three-quarters of employers in this sector had done so). Three in 10 of recruiting employers had taken on someone aged 50 years or older (29 per cent).
- Since 2012 there has been an increase in the use of private free recruitment channels to recruit young people. Whilst the use of more closed channels such as word of mouth has decreased, it still remains as the most commonly used channel to recruit young people.
- Three in 10 had recruited education leavers in the last 2-3 years (31 per cent); these employers generally found them well prepared for work.

2.1 Introduction

Human capital is critical to the ability of any organisation to maximise its potential and gain competitive advantage (Reich, 1991), and getting the right employees is therefore a critical component of business success. Whether in order to grow or replace staff leaving the organisation, employers need to make sure the people they are bringing in are sufficiently equipped to help them achieve their organisational goals.

This chapter of the report focuses on employers' recruitment practices: the extent to which they engage with the labour market, the channels they use to do so, and what attributes they look for in candidates when recruiting. The chapter also covers recruitment of education leavers and how prepared employers find them for work¹⁰.

2.2 Proportion of employers active in the recruitment market

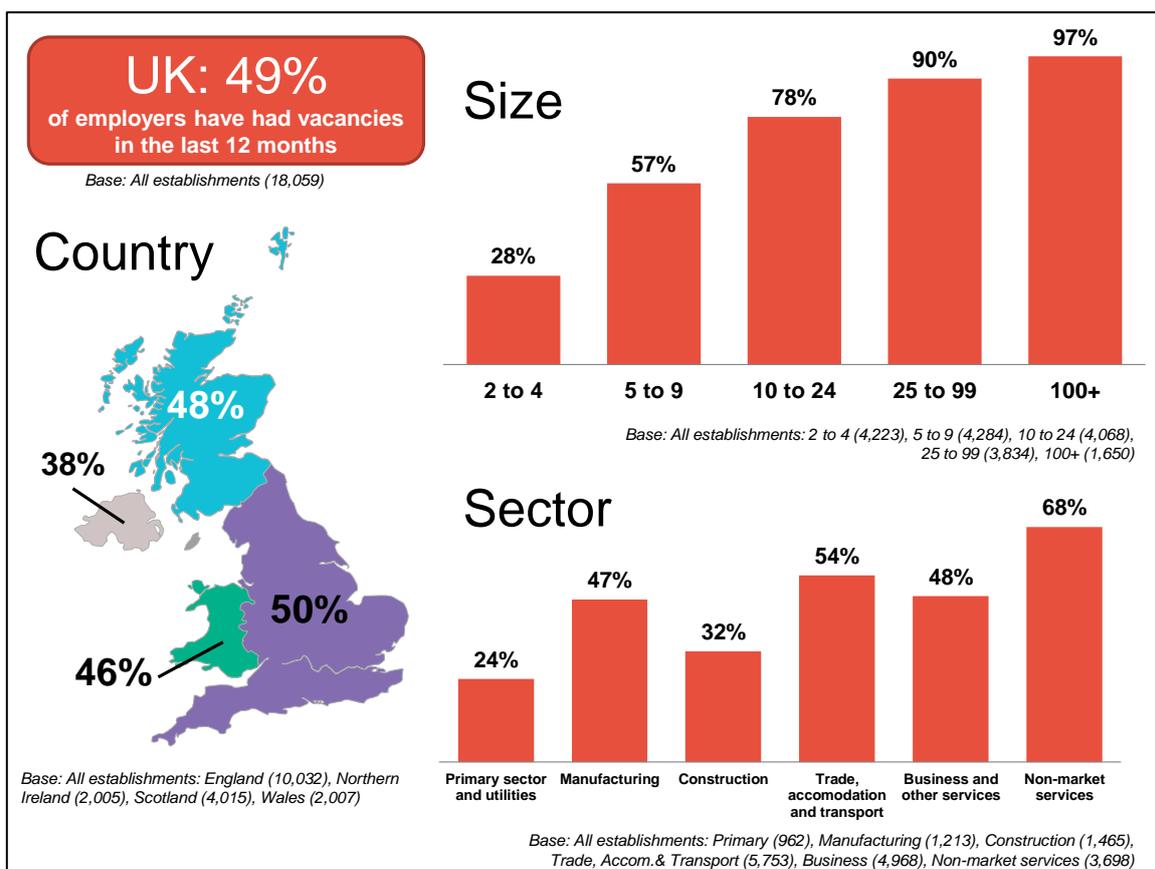
In the 12 months preceding the survey around half of employers had had at least one vacancy (49 per cent). For the purposes of this report these will be termed "recruiting employers".

As shown in Figure 2.1, recruitment activity varied considerably by size and sector as well as by geography. Recruitment activity in Northern Ireland was markedly lower than in the rest of the UK with 38 per cent of establishments having had vacancies.

As one would expect, the largest employers were much more likely to have had a vacancy in the last 12 months, as were those employers in the Non-Market Services sector (in particular in the Education sub-sector at 71 per cent), and in the Trade, Accommodation and Transport sector.

¹⁰ This particular question set has previously been included in ESS 2011 and 2013, 2014 is the first time it appears in the EPS data.

Figure 2.1 Proportion of establishments reporting at least one vacancy over the past 12 months by country, size and sector



Just under half of employers (49 per cent) reported having vacancies in the last 12 months, which represents a slight but statistically significant increase from the 48 per cent that was reported in 2012.

An increase in the proportion of employers recruiting means a more active labour market and supports signs of economic recovery. The survey shows that this recovery may not be being felt evenly across the economy.

The proportion of employers with vacancies had increased in England (from 48 to 50 per cent) and decreased in Scotland (from 50 to 48 per cent); elsewhere in the UK, there was no statistically significant change in the proportion of employers reporting having had a vacancy.

In terms of size, although larger employers were consistently more likely to recruit than smaller ones in 2012 as in 2014, the largest increase in the proportion of employers recruiting was among relatively small employers with between 10 and 24 staff (up from 72 per cent in 2012 to 78 per cent in 2014). This is encouraging in the sense that it is precisely some of these smaller more nimble employers whom policy has targeted for growth.

The overall increase in the proportion of employers recruiting is predominantly driven by the Non-Market Services and Trade, Accommodation and Transport sectors. These are sectors in which employers were previously more likely than average to be recruiting, with Non-Market Services rising from 66 per cent to 68 per cent, and Trade, Accommodation and Transport from 50 per cent to 54 per cent. Conversely, the reporting of vacancies by employers in the Primary and Utilities sector was lower than average in 2012 (30 per cent) and has since seen a decrease in 2014 to 24 per cent.

The majority of recruiting employers had been able to fill at least some of their vacancies by the time of the interview: 46 per cent of all employers had successfully recruited someone in the last 12 months. This compares to 43 per cent in 2012. Four per cent of all employers had not successfully recruited anyone despite having vacancies. This may have been due to difficulties filling the position, or that the vacancy was a recent one that they were still in the process of recruiting.

Further information on recruitment activity by country, size and sector can be seen in Appendix A, Table A.2.1.

2.3 Recruitment channels

Recruiting employers were asked to list the recruitment channels they had used in the previous 12 months when trying to take on staff. They were asked to list all channels, irrespective of whether or not the channel had produced any successful candidates.

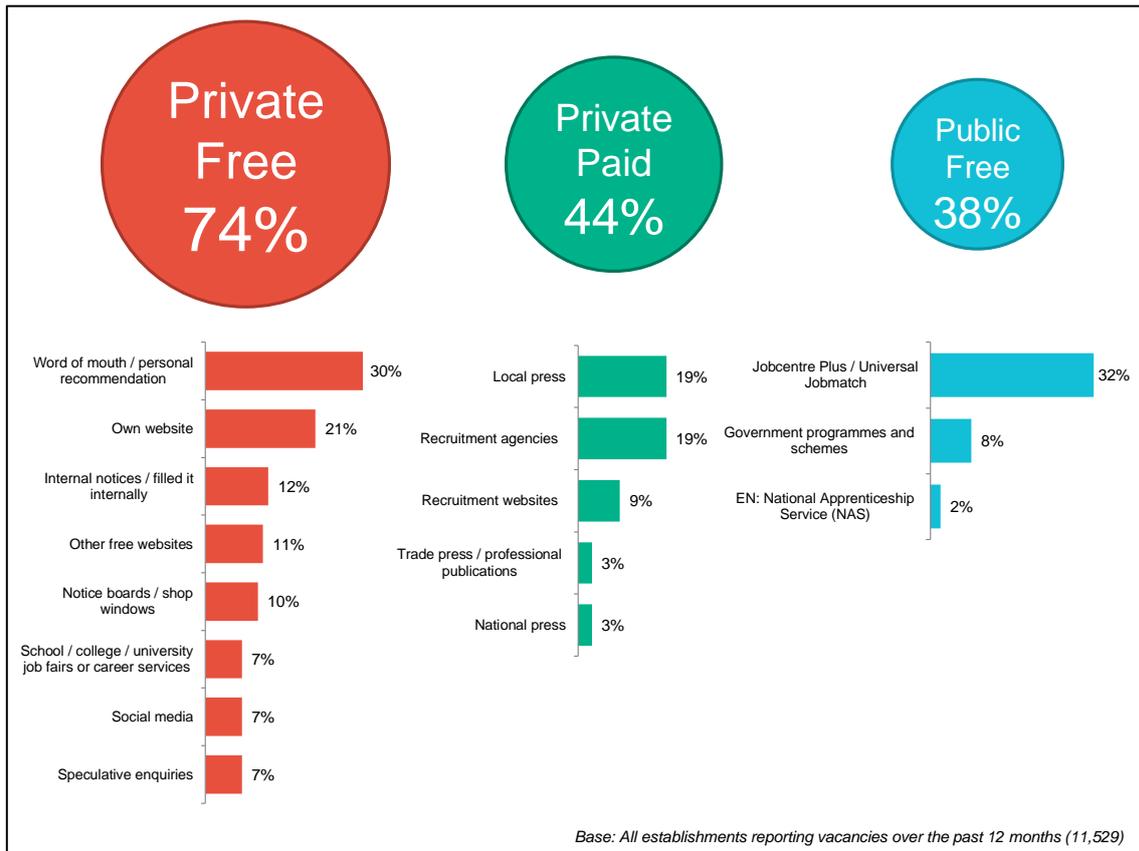
The recruitment channels covered by the survey can be broadly grouped into three categories (as illustrated in Figure 2.2): private paid for (such as advertisements placed with recruitment websites and in newspapers), private free (such as word of mouth, social media, the employer's own website, or educational institutions' careers services or job boards), and public free (such as Jobcentre Plus and other Government initiatives or schemes).

Figure 2.2 shows the proportion of employers that had used each broad type of channel, and the breakdown of use of specific channels that fall under each heading.

Recruiting employers were more likely to use private free channels to recruit staff than other methods: 74 per cent of recruiting employers had used them. Word of mouth was the most popular of these, used by 30 per cent of recruiting employers. Private paid channels and public free channels were used less commonly, by 44 per cent and 38 per cent of recruiting employers respectively.

To an extent this reflects the range of channels that fall under the private free category. Indeed, Jobcentre Plus (including Universal Jobmatch¹¹ and the Northern Ireland specific Jobs and Benefits Office/Jobcentre¹²), which is the predominant free public recruitment service, was the single most commonly used recruitment channel with almost a third of recruiting employers using it to help fill their vacancies (32 per cent).

Figure 2.2 Channels used by recruiting employers¹³



The channels employers use when recruiting employees influence the variety, quality and size of the pool of people they have to select from, and are important in ensuring equality among job seekers in terms of the range of opportunities available to them. However for employers it is a balancing act between reaching a wide pool of potential recruits and the expense and resource required to recruit: the channels that are often the cheapest and easiest to use may not always be the most “open,” (UKCES, 2012).

¹¹ Universal Jobmatch is a web-based recruitment service aimed at connecting employers with people seeking work. By moving jobseekers and recruiters who need less ‘hands on’ assistance to this online portal, Jobcentre Plus will be able to free up resources to focus on the candidates who face most difficulty in securing work and those employers who can provide employment opportunities but who cannot self-serve.

¹² Employers in Northern Ireland use the Jobs and Benefits Office or Jobcentre rather than Jobcentre Plus.

¹³ Questions on public free recruitment channels vary year on year, due to the changing nature of the government initiatives over time. The analysis presented combines all prompted and spontaneous mentions of Jobcentre Plus (including UJM) and a number of government schemes / programmes.

Information about the use of specific government initiatives and schemes within each country can be found in Appendix A, Table A.2.2.

Employers who had used public free channels such as Jobcentre Plus were particularly likely to complement this with use of other channels: 84 per cent of employers recruiting using public free channels had also used private channels.

Conversely, around half of employers who had used private free channels used **only** private free channels (45 per cent, this equates to 33 per cent of all recruiting employers).

With word of mouth the most popular private free channel, it is of particular concern that over a third of employers using this channel (35 per cent) had used it in isolation. This equates to 11 per cent of all recruiters attempting to fill their vacancies **solely** through word of mouth. Concerns have been raised (for example in *Scaling the Youth Employment Challenge*, UKCES 2013) that this could disadvantage young people and limit the pool from which employers can recruit.

Recruiting employers in Northern Ireland demonstrated quite different patterns in their use of recruitment channels when compared to the other nations, driven in part by a higher use of the Jobs and Benefits Office/Jobcentre¹⁴ (41 per cent) than was seen for Jobcentre Plus in the other nations (32 per cent on average for JCP across England, Scotland and Wales). In Northern Ireland the balance across each broad channel type was fairly even with recruiting employers less likely than average to have used private free channels (59 per cent), and more likely than average to have used public free and private paid methods (54 and 50 per cent respectively). This heightened use of public free channels was also related to a far greater use of Government schemes and programmes (34 per cent). In a further point of differentiation from the recruitment markets in Great Britain, recruiting employers in Northern Ireland were far more likely to use the local press (35 per cent) and far less likely to use word of mouth as a channel (18 per cent).

Recruiting employers in Wales were also more likely than average to have used public free channels (53 per cent; 40 per cent had used Jobcentre Plus and 26 per cent other Government schemes), and less likely to have used private paid (31 per cent).

Larger employers used a greater range of specific recruitment channels and therefore were more likely to have used each type of broad channel with 81 per cent of recruiting employers with 100 or more staff having used private free, 71 per cent private paid and 56 per cent public free; this reflects the higher volumes of recruitment and the larger variety of roles large employers recruit into (see ESS [Winterbotham *et al.*, 2014] for evidence of this).

¹⁴ Employers in Northern Ireland use the Jobs and Benefits Office or Jobcentre rather than Jobcentre Plus.

Smaller employers predominantly used private free channels to fill their vacancies (72 per cent among recruiting employers with 2-4 staff, compared to 35 per cent using private paid channels and 30 per cent public free). They were particularly likely to rely exclusively on private free channels with over two-fifths of small recruiting employers *only* using private free channels (43 per cent, compared to 33 per cent across all recruiting employers). Word-of-mouth was the most common channel used by small establishments (2-4 staff) (39 per cent) with, again, sole reliance on this channel much higher (20 per cent of recruiting employers with 2-4 staff *only* use word-of-mouth or personal recommendations when recruiting compared to fewer than one per cent of recruiting employers with 100 or more staff).

There was also considerable variation in the types of channels used by employers in different sectors.

- Employers in the Manufacturing and Non-Market Services sectors showed a similar pattern of behaviour to each other that was distinct from the other sectors. Both were more likely than average to have used public free and private paid services, and less likely to have used any private free channels. Whilst these sectors are characterised by a greater proportion of large employers, these patterns held for all sizes of establishment suggesting the finding is not solely accounted for by the size profile of the sectors.
- Conversely, employers in Trade, Accommodation and Transport were considerably more likely than average to have used private free channels (particularly those in the Hotels and Restaurants sub-sector), and less likely to have used private paid (these employers were equally likely to use public free channels).
- Employers in the Primary and Utilities sector were far less likely to have used public free channels than those in other sectors.

More detail on the use of recruitment channels by country, size and sector can be found in Appendix A, Table A.2.3.

Looking at the data over time we see the use of private free channels has increased since 2012, from 67 per cent to 74 per cent. This has been driven by an increase in use of organisations' own websites (from 17 to 21 per cent), social media (from three to seven per cent) and speculative enquiries (also from three to seven per cent). The evidence is that employers are using these channels in addition to those they already use rather than to replace channels: the only channel to see a statistically significant drop since 2012 is local press, from 21 to 19 per cent.

While the use of word of mouth has remained broadly consistent over time (30 per cent in 2014 compared to 29 per cent in 2012), it is encouraging that the proportion of recruiting employers relying solely on this channel has decreased from 15 per cent to 11 per cent; this is likely to reflect an opening up of access to jobs so that those people not already directly linked in to people in work are able to access jobs via other recruitment channels. This decrease in the sole use of word of mouth was most evident among smaller establishments with fewer than 10 employees (down from 22 per cent in 2012 to 16 per cent in 2014) and those in the Construction (from 36 per cent in 2012 to 21 per cent in 2014) and Manufacturing sectors (from 18 per cent in 2012 to 10 per cent in 2014).

Use of public free and private paid channels has remained consistent since 2012¹⁵. More detail on the use of recruitment channels over time can be found in Appendix A, Table A.2.4.

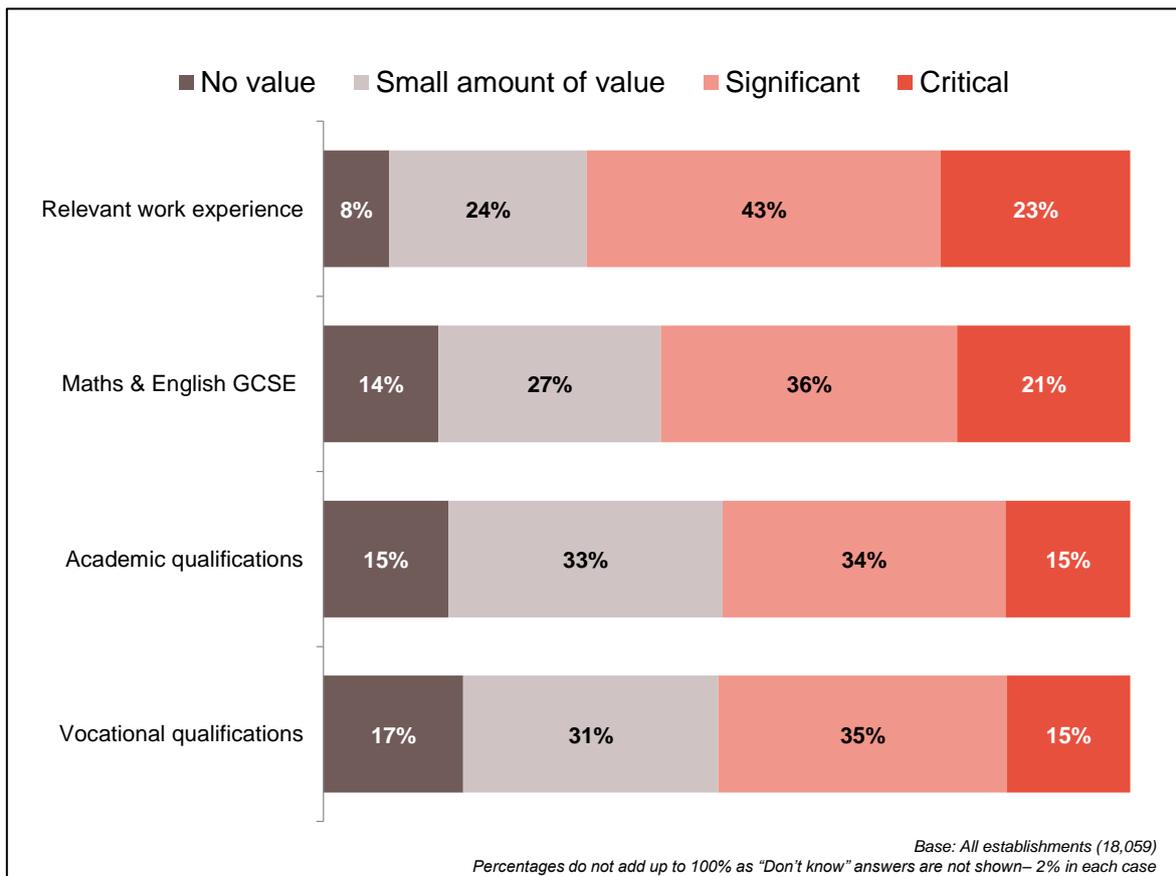
2.4 What employers look for when recruiting

The Employer Perspectives Survey measures the relative importance of different factors to employers when they are recruiting new staff. The survey asked employers to rate whether, on the whole, the following attributes were critical, significant, of a small amount of value or of no value when taking on new staff:

- Having relevant work experience;
- Having Maths and English GCSE to at least level 2 or GCSE A*-C;
- Having a particular level of achievement of academic qualifications;
- Having a relevant vocational qualification.

Figure 2.3 shows the relative importance of each factor, as perceived by UK employers. More detailed figures by country, size and sector can be seen in Appendix A, Table A.2.5.

¹⁵ 2012 figures differ from those presented in the 2012 report as “prompted” and “unprompted” mentions of JCP were separated out in the analysis in that report. It should be noted that “Jobcentre Plus recruitment services” were not prompted directly in 2012, so a year on year comparison is difficult to quantify.

Figure 2.3 Significance placed on different factors when recruiting

Employers place more significance on relevant work experience than on any of the other factors when assessing potential new recruits, with certified achievement in Maths and English (i.e. GCSE at A*-C grade) following quite closely behind. Two-thirds of employers rated relevant work experience as critical or significant (66 per cent); on the other hand, almost a third of employers (32 per cent) placed little or no value on relevant experience.

Around half of employers placed a significant or critical value on recruits having achieved a particular level of academic (49 per cent) or vocational (50 per cent) qualification.

Employers in Northern Ireland were more likely than employers elsewhere to rate every listed factor as being critical or significant. This could be related to the levels of recruitment in the country; as seen previously employers in Northern Ireland were less likely to recruit, so it could be that they are able to be more selective in their recruitment as there is less competition generally among employers for recruits.

While the relative importance of each attribute differed little by size of establishment, there was considerable variation by sector, partly as a product of the types of roles each sector is likely to recruit and partly as a product of their nature as organisations.

- Establishments in the Primary and Utilities sector placed the highest value on work experience by some margin (73 per cent said it was significant or critical, compared to 66 per cent of all employers). Employers in this sector were slightly more likely to value vocational qualifications than the UK average (54 per cent compared to 50 per cent of all employers). However academic qualifications were of lesser importance: just 33 per cent placed critical or significant value on academic qualifications (compared to 49 per cent of all employers) and 39 per cent on basic numeracy and literacy skills (compared to 57 per cent of all employers).
- In the Business and Other Services sector, a basic level of Maths and English was likely to be valued just as highly as work experience (both 68 per cent critical or significant). This was the sector that placed highest value on such skills and the only sector where another factor was as important as experience.
- Employers in the Non-Market Services sector placed a high value on every attribute. More specifically, employers in the Education sub-sector were particularly demanding with a high proportion of Education employers placing a critical/significant value on all factors.
- Conversely, employers in Trade, Accommodation and Transport were less likely than average to rate each of the factors as critical or significant and least likely of all to place critical or significant value on experience (59 per cent) and vocational qualifications (39 per cent).

It was also the case that employers who had trained their staff over the past 12 months were more likely to place a critical/significant value on each of the factors compared with those who had not trained their staff.

The factors the survey covered in 2014 differed from those asked in 2012 through the introduction of questions about experience and basic Maths and English skills, and vocational qualifications were asked as one factor rather than splitting out NVQs/SVQs.

These changes to the survey confirm that, more than qualifications, employers value work experience and “core skills” (evidenced by Maths and English GCSE). However, over time the importance accorded to vocational qualifications has increased. The proportion of employers placing critical or significant value on academic qualifications in 2012 was 44 per cent (similar to the 43 per cent seen in 2010); in 2014 this has increased to 49 per cent, whereas the comparative figure for vocational qualifications is 50 per cent. Due to changes to the way the question was asked it is not possible to track over time the value placed on vocational qualifications directly, however the indications are that this has also increased, albeit less so than academic qualifications.

Looking at the recruitment channels employers use when recruiting compared with their expectations of candidates shows employers with higher demands of their recruits (evidenced by higher incidence of “critical” and “significant” responses to each factor) were more likely to recruit using private paid for services than those who had lower requirements: 52 per cent of employers looking for recruits with a particular level of academic qualification had used private paid channels (compared to 44 per cent overall), as had 50 per cent of those looking for Maths and English GCSE, 49 per cent vocational qualifications and 47 per cent experience.

Conversely, employers who rated each factor as of little or no value were more likely to use private free channels (81 per cent, compared to 74 per cent overall).

2.5 Recruitment of young people

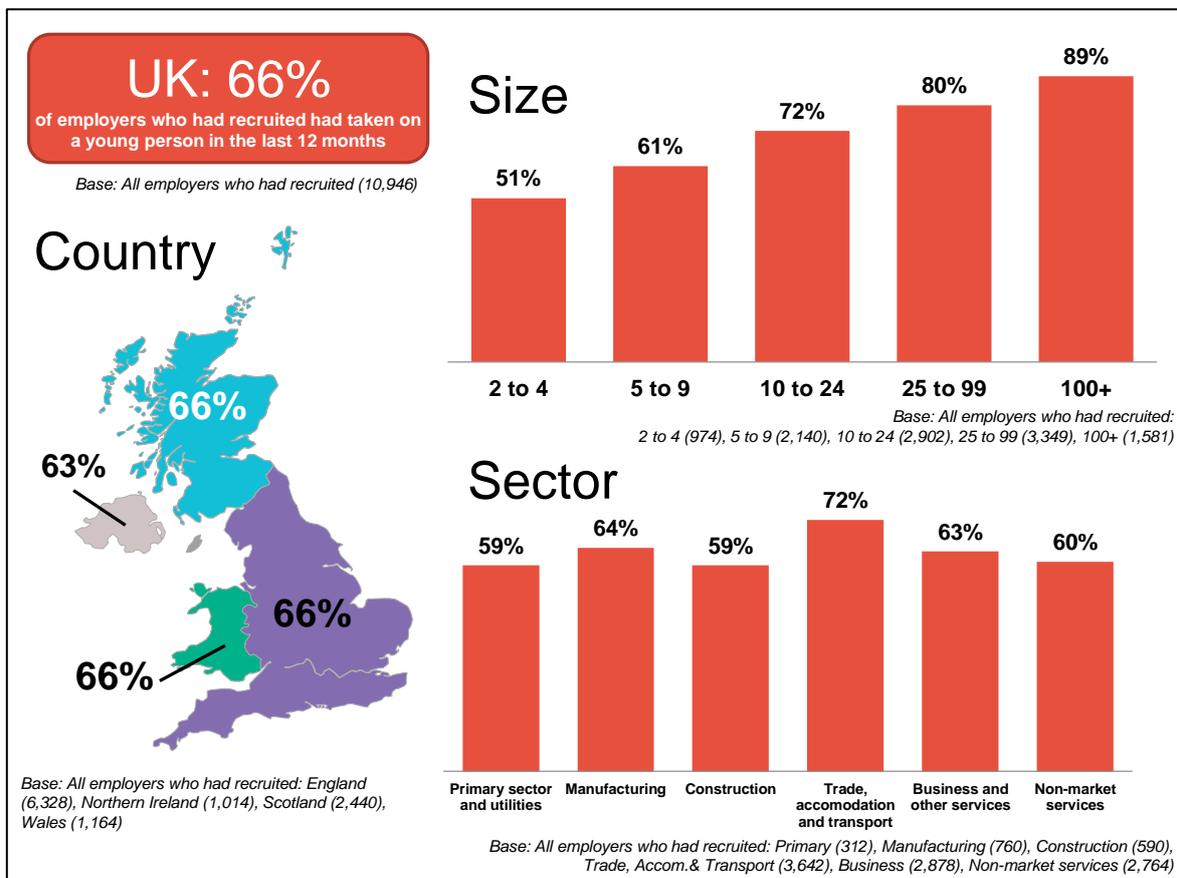
Young people were affected disproportionately by the downturn in recruitment that accompanied the recession and following years of tough economic conditions, but the fact remains that youth unemployment was increasing even before the recession, forming a much longer term trend. Reversing this trend is a matter not only of “social good” but of economic imperative¹⁶. The UK finds itself in a position in 2014 of relatively low unemployment (around six per cent) but still relatively high youth unemployment when compared to other EU economies (at around 20 per cent, more than three times higher than the general unemployment rate).

In *Climbing the Ladder: Skills for sustainable recovery* UKCES suggest that one solution to help young people into work could be to increase work experience opportunities alongside education. This chapter has already shown that experience is the most important factor for employers when looking to recruit new staff; the EPS survey can also provide evidence of whether recruitment of young people is growing with the increase in recruitment generally, the sorts of roles young people are recruited into and the channels used to reach them. The survey also looks specifically at the recruitment of education leavers’ and their preparedness for work.

¹⁶ “Climbing the Ladder: Skills for a sustainable recovery” UKCES (2014)

Overall, two-thirds of employers who had recruited (66 per cent) had taken on a young person (defined here as under the age of 25, and encompassing both people moving into their first job and individuals who have been in the labour market for some time) in the 12 months preceding the survey; this equates to 30 per cent of all employers. It was considerably more common for these employers to have taken on a 19-24 year-old (57 per cent of employers who had recruited) than a 16-18 year-old (25 per cent); most employers who recruited 16 to 18 year-olds also recruited young people aged 19 to 24; it was relatively rare for employers to focus recruitment of young people only on the 16 to 18 age group (just eight per cent of all recruiting employers), a labour market which is soon to disappear in England as the leaving age from education is extended to 18.

Figure 2.4 Proportion of employers who had recruited that have taken on a young person (under 25) in the last 12 months



As Figure 2.4 shows, the proportion of employers recruiting young people was consistent across Great Britain (two-thirds in England, Scotland and Wales). However, overall lower levels of recruitment in Northern Ireland meant that a slightly lower proportion of employers in Northern Ireland had recruited young people (63 per cent) compared to the UK as a whole (66 per cent).

Larger employers were, by virtue of their higher recruitment levels generally, most likely to have recruited young people: 89 per cent of employers who had recruited with 100 or more staff had done so compared to just 51 per cent of those with 2-4 staff.

Roles for young people were most likely to be found in the Trade, Accommodation and Transport sector, where 72 per cent of recruiting employers had taken on someone under the age of 25 and 33 per cent someone under the age of 19. This was driven by the Hotels and Restaurants sub-sector, where 37 per cent had taken on an under 19 year-old and 84 per cent anyone under the age of 25.

Some signs are encouraging in respect of youth employment: employers who had recruited in 2014 were more likely to have taken on at least one young person than employers who had recruited in 2012 (62 per cent in 2012, rising to 66 per cent in 2014).

That said, if one considers recruitment behaviour among all employers, the picture looks slightly different. The increase in the proportion of all employers recruiting young people (from 27 per cent in 2012 to 30 per cent in 2014) closely mirrors the overall rise in employers who had recruited (43 per cent in 2012 to 46 per cent in 2014) but does not outstrip it. It should be remembered that EPS considers the number of employers who recruit and not the volume of young people whom they are recruiting. Thus the fact that the majority of employers who recruited in the period between Spring 2013 and Spring 2014 recruited at least one young person is not inconsistent with the levels of youth unemployment in that period, which remained uncomfortably high. While one might expect there to be a relationship between the proportion of employers recruiting young people and the number of young people they offer jobs to, it is not a relationship that is quantifiable through the survey data.

Nonetheless, the fact that the increase in the proportion of employers recruiting young people was in line with the overall increase in the proportion of employers who had recruited may suggest that the position of young people in the labour market has not strengthened substantially in the past two years, and that any uplift in the recruitment of young people is principally a function of the overall increase in recruitment activity. This is broadly in line with unemployment statistics published in September 2014 showing that a drop in youth unemployment has occurred at the same rate as the overall drop in unemployment over the past year (youth unemployment falling 22 per cent from 21.1 per cent to 16.6 per cent, and unemployment falling 21 per cent from 8.2 to 6.4 per cent)¹⁷.

When young people were recruited it was typically to “lower level” roles: a fifth of employers who had taken on young people (22 per cent) said **the last** young person they recruited was to an elementary role and a further fifth (20 per cent) said it was to a sales or customer service role. It was rare for young people to be recruited to managerial roles (one per cent) or professional roles (five per cent). Where young people were hired in professional roles, they were most likely to be recruited within the Education sub-sector (24 per cent) compared to average professional take-up among establishments (five per cent).

Further information on the recruitment of young people and job roles by country, size and sector can be found in Appendix A, Tables A.2.6 and A.2.7.

¹⁷ ONS Statistical Bulletin: UK Labour Market, September 2014 (http://www.ons.gov.uk/ons/dcp171778_374770.pdf)

2.5.1 The recruitment of older workers

Whilst these difficulties for young people remain, what the survey can tell us is that more employers are recruiting young people than recruiting older workers (aged over 50). Specifically, two thirds of employers who had had a vacancy recruited a young person (aged under 25), but only three in 10 (29 per cent) recruited someone over 50 (at an all employer level, this equates to 13 per cent having taken on an older worker). Moreover, most employers who recruited someone over 50 also recruited a young person (two thirds of them did, 64 per cent), whereas less than one third of employers who recruited a young person also recruited someone aged over 50 (28 per cent).

There is an implication here that employers recruiting the over 50s are more likely to be generally high-recruiting employers who, out of necessity, take on employees of varying ages in order to meet their recruitment needs. In line with this, recruiting employers in Northern Ireland, where we have seen that employers are a lot less likely to have looked to recruit, were considerably less likely to have recruited someone aged over 50: only 22 per cent had done so.

Following patterns seen elsewhere, employers who recruit the over 50s are also more likely to be larger organisations (71 per cent of recruiting employers with more than 100 staff recruited someone over 50, compared to 21 per cent of small recruiting employers with fewer than five staff). By sector employers operating in the Non-Market Services or Manufacturing sectors were most likely to have recruited someone over the age of 50 (41 per cent and 35 per cent of recruiting employers respectively). This was particularly evident in the Public Administration sub-sector (52 per cent).

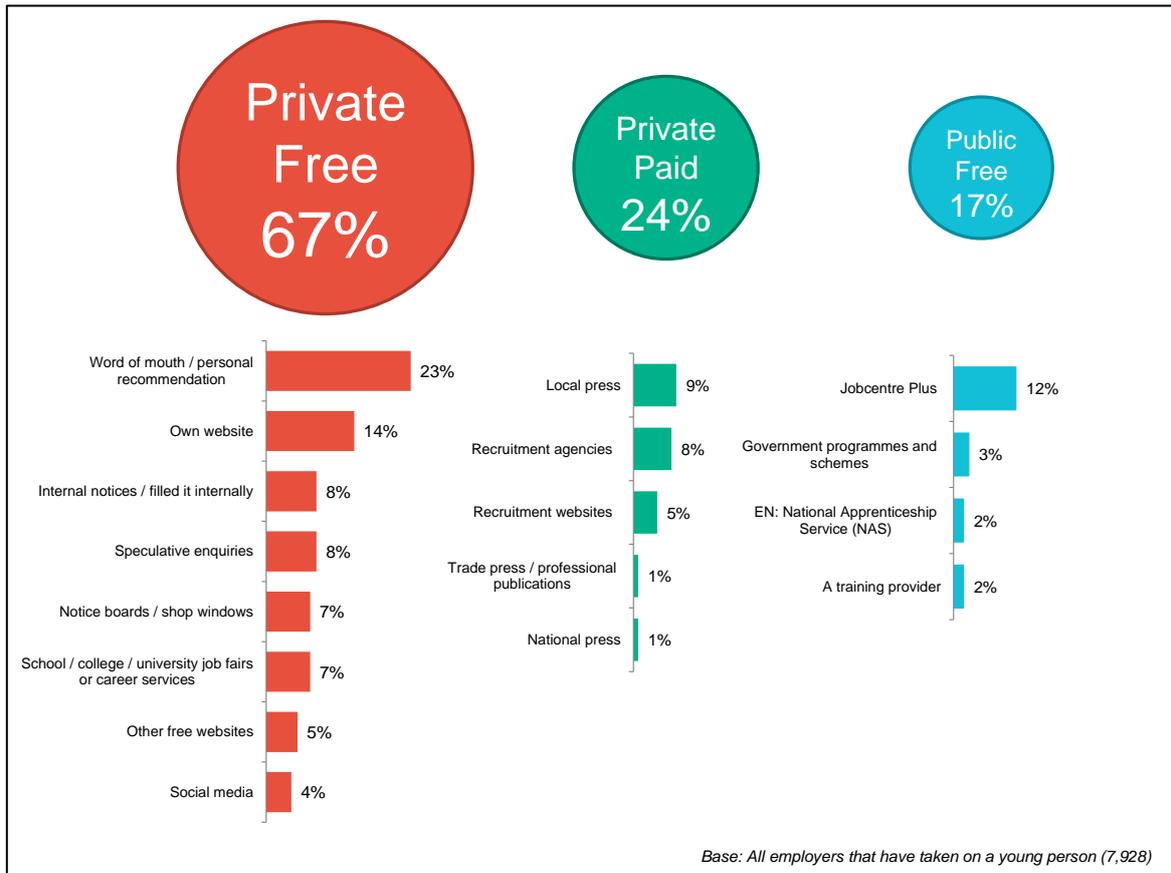
2.6 Recruitment channels used to recruit young people

As young people are more likely to lack experience and less likely to have developed contacts in industry, the channels used to reach them are crucial to equality of opportunity. Employers were asked to list the recruitment channels they used for the last vacancy that resulted in the recruitment of a young person. This gives us a good picture of where the job-roles that are deemed suitable for young people are most likely to be advertised. However we cannot tell from the data which recruitment method was successful in reaching the young person taken on. It should be noted that employers were asked specifically about the recruitment method(s) used *on the last occasion* they recruited a young person; as such, the data presented in this section are not directly comparable with the data presented earlier in respect of recruitment channels used *in general* over the past 12 months.

As Figure 2.5 shows, private-free channels are the most common channels used when attempting to recruit young people, cited by two-thirds of employers compared to recruitment methods that incur a cost (24 per cent) or Government initiatives (17 per cent).

Within this, word of mouth is the single most common channel used to search for candidates for jobs which have ultimately resulted in the recruitment of a young person (23 per cent).

Figure 2.5 Recruitment channels used to recruit last young person



Word of mouth was most common in all countries except for Northern Ireland where just 14 per cent had used it. Whilst private free recruitment methods were still most commonly used here (53 per cent), use of public free methods was much higher than in the UK as a whole (35 per cent), in particular use of the Jobcentre/Jobs and Benefits Office (27 per cent) to source these recruits.

Patterns of channels used to recruit young people by size and sector were similar to the patterns seen for channels used for all recruitment.

The overall proportion of employers using private free channels to recruit young people had risen slightly since 2012, from 63 per cent to 67 per cent. There was a drop since 2012 in the proportion of employers using word of mouth techniques to recruit the last young person they employed (from 26 per cent to 23 per cent); this has been accompanied by a small increase in employers using their own website (from 11 to 14 per cent) and social media (from one to four per cent); these latter channels are far more open-to-all; any individual searching online for jobs would be able to find them.

Whilst signs are encouraging that positions for young people are being advertised using more readily-accessible channels, it is concerning that the lowest level jobs (Machine Operative/Elementary Roles) are being advertised using closed recruitment channels. They, along with Sales and Customer Service roles, are the jobs where private free recruitment channels are most widely used.

Public free channels were most commonly used for Caring, Leisure and Other services roles (25 per cent), with a fifth of all employers who had recruited a young person into these occupations advertising through Jobcentre Plus (20 per cent). A fifth of Administration roles (21 per cent) were advertised through public free channels.

Private paid channels were most frequently used for Professional and Associate Professional roles, and Administration roles. Recruitment agencies were frequently used to fill these types of roles (13, 13 and 16 per cent respectively).

Table 2.1 highlights the proportions using each type of recruitment channel for each occupation.

Table 2.1 Recruitment channels used to reach young people by role recruited

Role	% of establishments whose last young recruit was in this role		Public free channels	Private paid channels	Private free channels
<i>Base</i>	<i>7,928</i>	<i>Base:</i>			
Managers	1	77 %	9	20	70
Professionals	5	457 %	11	38	60
Associate Professionals	10	644 %	11	35	62
Administrative/Clerical	13	1,017 %	21	34	53
Skilled Trades	9	723 %	19	19	65
Caring, Leisure and Other	13	1,328 %	25	30	57
Sales/Customer Service	20	1,391 %	15	15	79
Machine Operatives	4	380 %	18	26	66
Elementary Occupations	22	1,668 %	13	15	78

Base: All establishments that have recruited young people / all establishments that took on their last young person into each job role

2.7 Recruitment of education leavers

The UK Commission's Employer Skills Survey series (and preceding national skills surveys) have measured the recruitment of education leavers' and their preparedness for the world of work. In 2014 these questions have been asked in the Employer Perspectives Survey, to allow for greater analysis on the recruitment of young people.

It should be noted that whilst previous analysis in this chapter focused on the last 12 months, this section looks at recruitment of education leavers in the last 2-3 years. Additionally, the question about leavers from HEIs and universities is not limited to under 25s, the leavers could be of any age. Employers in Scotland were asked a slightly different set of questions focusing on leavers from *Scottish* educational institutions, to maintain consistency with the ESS surveys of 2011 and 2013, and the historical Scottish Employer Skills Survey series.

Overall, three in 10 establishments in the UK had recruited education leavers in the 2-3 years preceding the survey (31 per cent). School leavers of various ages were most commonly recruited, with 16 per cent of employers in England, 14 per cent in Northern Ireland and 17 per cent in Wales reporting having taken on a 16 year-old or 17-18 year-old school leaver in the past 2-3 years. In Scotland, 19 per cent of employers recruited someone from a Scottish secondary school. Table 2.2 shows recruitment from each stage of education across the nations.

Table 2.2 Recruitment of education leavers by country with ESS 2013 comparison

	England		Northern Ireland		Wales		Scotland	
	2013	2014	2013	2014	2013	2014	2013	2014
<i>Unweighted base</i>	75,255	10,032	4,014	2,005	5,996	2,007	6,014	4,015
	%	%	%	%	%	%	%	%
Recruited any education leaver	27	31	22	28	27	31	29	32
Recruited any school leaver	14	16	11	14	15	17	17	19
16 year-old school leaver	8	10	6	8	8	10	N/A	
17-18 year-old school leaver	11	11	9	11	11	12		
Recruited college leaver	12	11	8	9	11	11	11	11
Recruited HEI leaver	14	14	12	14	13	13	12	13

Base: All respondents

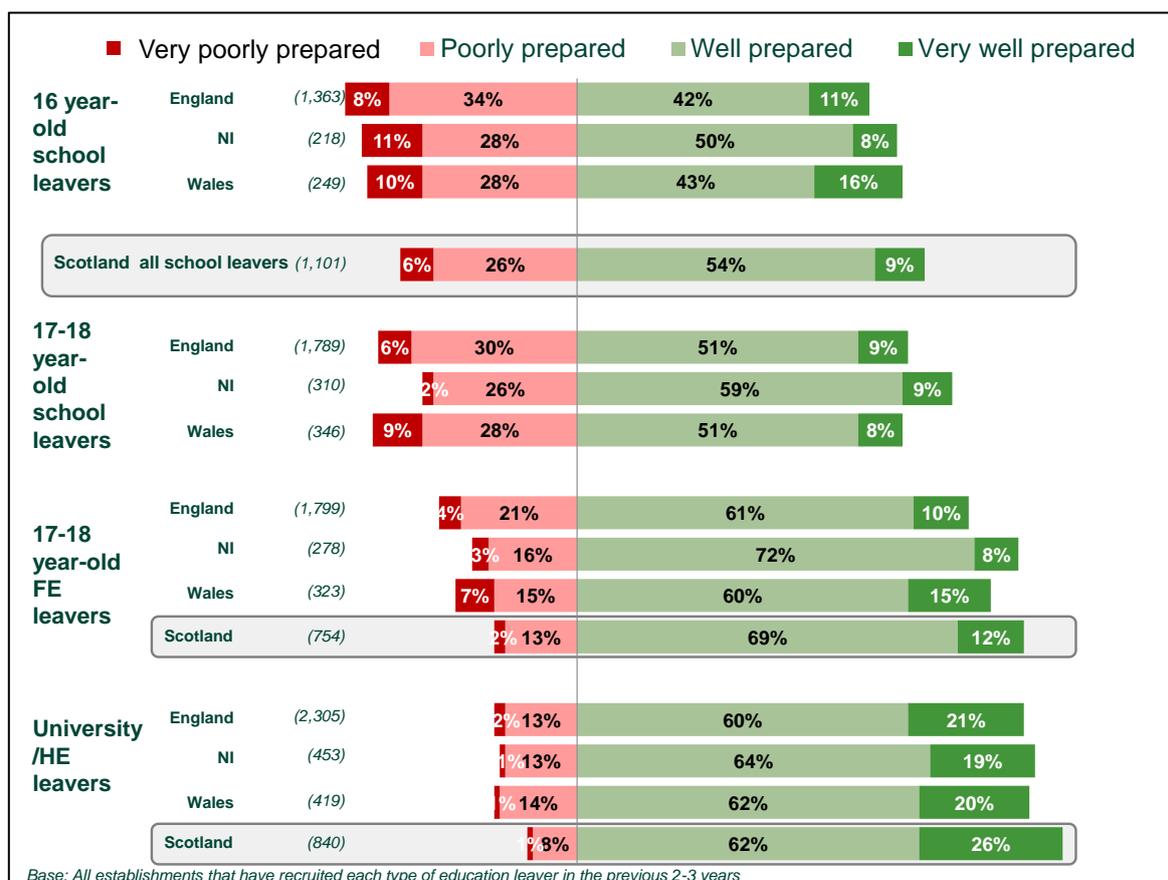
Source of 2013 data – ESS 2013 (Winterbotham et al., 2014). Note that the base sizes shown for 2013 are much larger than for 2014 as ESS 2013 is a much larger survey of 90,000 businesses across the UK.

NB: Employers in Scotland in 2013 and 2014 were responding to questions about their recruitment of people leaving Scottish educational establishments, whereas the location of the establishment was not referenced in the questions to English, Northern Irish or Welsh employers.

The proportion of employers who had recruited education leavers (31 per cent) represents a slight increase since 2013 (27 per cent) and is consistent with the rise in overall recruitment activity evidenced in the 2013 and 2014 employer surveys.

A key issue for employers, education providers and policy-makers is whether individuals leaving education to join the workplace are deemed to be well-prepared. Figure 2.6 shows perceived levels of preparedness of each type of education leaver.

On the whole, the majority of employers find their education leavers to be well prepared, and this level of preparedness increases with the level of educational attainment (and, by default, age). Over eight in 10 employers found university graduates well prepared for work (81 per cent) and over half of employers found 16 year-old school leavers to be well prepared for work (ranging from 53 per cent in England to 59 per cent in Wales).

Figure 2.6 Preparedness of education leavers for work

NB: Employers in Scotland in 2013 and 2014 were responding to questions about their recruitment of people leaving Scottish educational establishments, whereas the location of the establishment was not referenced in the questions to English, Northern Irish or Welsh employers.

On occasions when education leavers were found to be poorly prepared, this was most commonly due to a perceived lack of working world or life experience by employers. A quarter of employers in England, Northern Ireland and Wales taking on 16 year-old school leavers reported this to be the case, and 10 per cent of those taking on university leavers. A poor attitude, personality or lack of motivation (e.g. poor work ethic, punctuality, appearance, manners) was also frequently cited with 21 per cent of those taking on 16 year-old school leavers believing this is why they were poorly prepared. Very few said that their recruits lacked basic numeracy or literacy, or that they had had a poor education (fewer than five per cent in every case). These patterns were also seen in the data for leavers from Scottish institutions (see Appendix A, Table A.2.8a and A.2.8b).

3 Employer Perspectives on Work Experience

Chapter Summary

- More than two-fifths of employers were involved in some form of work experience activity over the last 12 months (44 per cent).
- Specifically, 38 per cent had individuals undertaking work placements (most commonly placements for people in education), while 18 per cent had conducted wider work-related learning or 'work inspiration' activities with people in education.
- Employers in Northern Ireland were more likely than the rest of the UK to have offered work placements (48 per cent), but less likely to have subsequently taken on individuals into long-term roles. Across the UK, large establishments (79 per cent) and those in the Non-Market Services sector (66 per cent) were also more likely to have had work placements compared to employers in the Construction sector.
- The length of work placements varied by employer and by the nature of the specific placement. Employers most commonly reported that placements for school pupils and work trials lasted a week or less (42 and 40 per cent respectively), while internships more typically lasted over three months (40 per cent).
- Establishments were most likely to take on an individual into a permanent or long-term paid role following a work trial (60 per cent). While this was least common among employers who had taken on people from school, nevertheless one in 10 of these employers still reported having taken on a school-leaver into a paid role following their placement.
- Employers tended to offer work placements for altruistic reasons, although the proportion citing factors pertaining to corporate benefit had increased since 2012. A lack of suitable roles within the establishment (38 per cent) was the most commonly cited barrier to offering work experience.
- Only a minority of employers reported encountering difficulties with educational institutions when delivering work inspiration activities (eight per cent of those engaging schools, eight per cent of those engaging colleges and four per cent of those engaging universities).

3.1 Introduction

The previous chapter has considered the extent to which employers recruit young people and education leavers, and closed with the observation that where employers find education leavers to be poorly prepared for work, this is most commonly due to a lack of working world or life experience. The chapter also highlighted that work experience was the factor that employers value over all others when they are looking to bring in new recruits. This creates a classic catch 22 for prospective new labour market entrants (and for those returning to work after long periods out of the labour market) who often cannot get the experience of work, because they do not have work experience.

Moreover, as the UK Commission has highlighted in *Climbing the ladder: Skills for sustainable recovery (UKCES, 2014)*, over the last decade the proportion of 16-24 year olds combining employment and education has fallen. More recently, education policy has changed such that work-related learning is no longer a statutory part of the Key Stage 4 curriculum in England¹⁸.

Young people with four or more work experience-type activities during their education are five times less likely to be NEET later on (not in education, employment or training), which emphasises the need to engage employers in offering more work experience¹⁹.

This chapter first explores the extent of employers' engagement with work experience activities over the last 12 months, encompassing work placements and work inspiration activities. Work placements are categorised into three broad areas:

- Placements for people in education (i.e. those at school, college or university);
- Internships (either paid or unpaid); and
- Broad adult placements, incorporating work experience targeted at the unemployed (such as those offered as part of the Work Programme) and work trials.

Work inspiration activity is the term given within this report to a range of other activities designed to bring young people in education closer to the workplace, ranging from mentoring support to employers speaking at schools, colleges and universities. Such work-related learning develops skills required for applying for jobs, develops employability skills such as problem-solving and engenders a greater awareness of the working world and its opportunities²⁰.

¹⁸ Explanatory Memorandum to The Education (Amendment of the Curriculum requirements for the fourth key stage (England) Order 2012)

¹⁹ Education and Employers Taskforce (Mann, 2012): *Work experience: Impact and delivery - insights from the evidence*

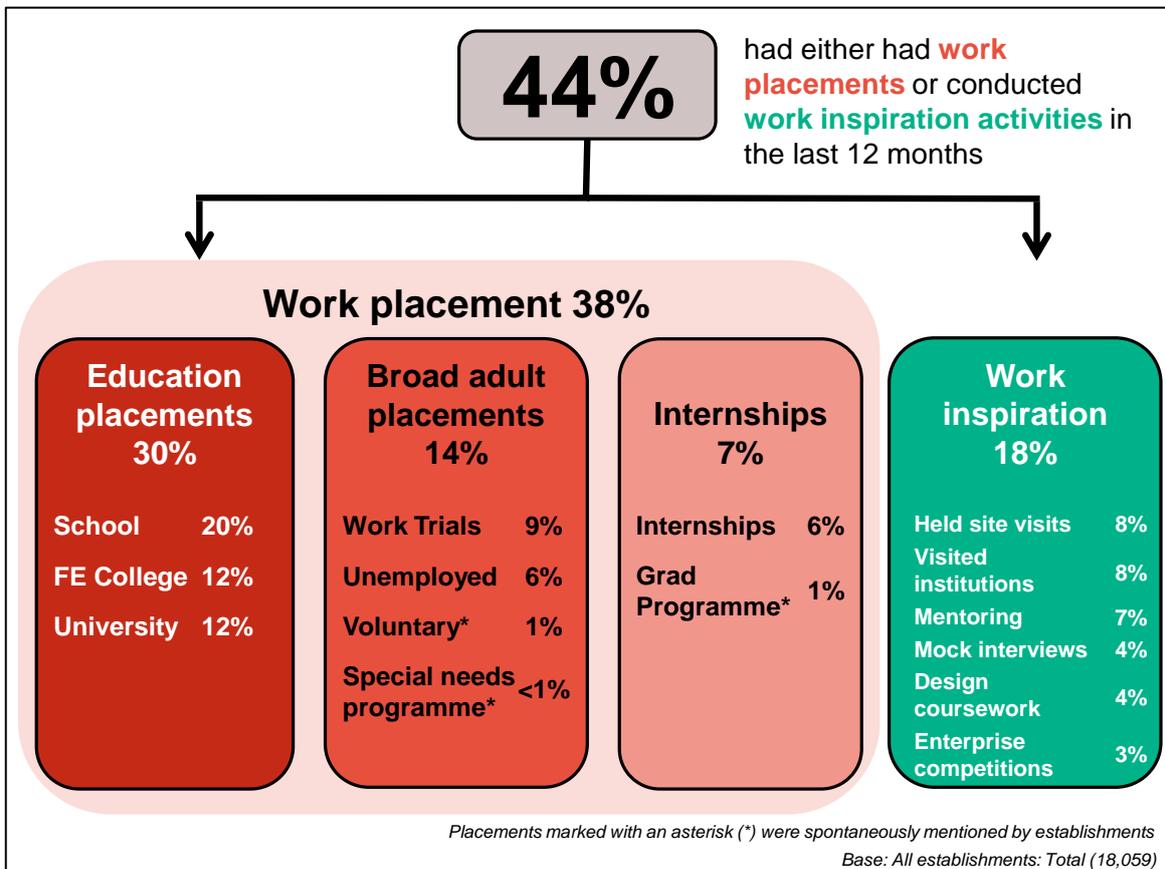
²⁰ UKCES (2013a): *Not just making tea: reinventing work experience*

The chapter then goes on to explore employers' motivations for offering such opportunities, the barriers to engagement they have encountered and what could be done, in the eyes of the employer, to encourage the creation of more work experience opportunities in the future. It concludes by assessing employers' awareness of Traineeships, a new Government scheme in England.

3.2 Overview of broad engagement with work experience activities

As Figure 3.1 shows, over two-fifths of employers (44 per cent) had undertaken any work experience or work-related learning activities. Just under two fifths of employers had taken on individuals on a work placement (38 per cent) and under a fifth had conducted work inspiration activities with students (18 per cent). Around one in eight (12 per cent) were involved in both types of engagement; 26 per cent had taken on individuals on work placements but not conducted any work inspiration activities, while six per cent had conducted work inspiration activities without also offering work placements.

Figure 3.1 Proportion of all employers offering work placements and work inspiration activities in the last 12 months



3.3 Work placements

Almost two-fifths of all employers (38 per cent) had taken on individuals on to a work placement in the last 12 months.

Employers were most likely to offer work placements to students at various stages in their education (30 per cent of all employers). These were often for students in school (20 per cent), although placements for students at FE or sixth form college, or university, (both 12 per cent) were also fairly prevalent.

Around one in seven employers (14 per cent) offered work placements to a broader segment of the adult market; most commonly these were work trials for potential new recruits (nine per cent) and placements targeted at the unemployed (six per cent). Finally, seven per cent of employers had taken on people into an internship, including one per cent who took on individuals on to tailored graduate programmes. Particular characteristics of these placements are explored later in this section.

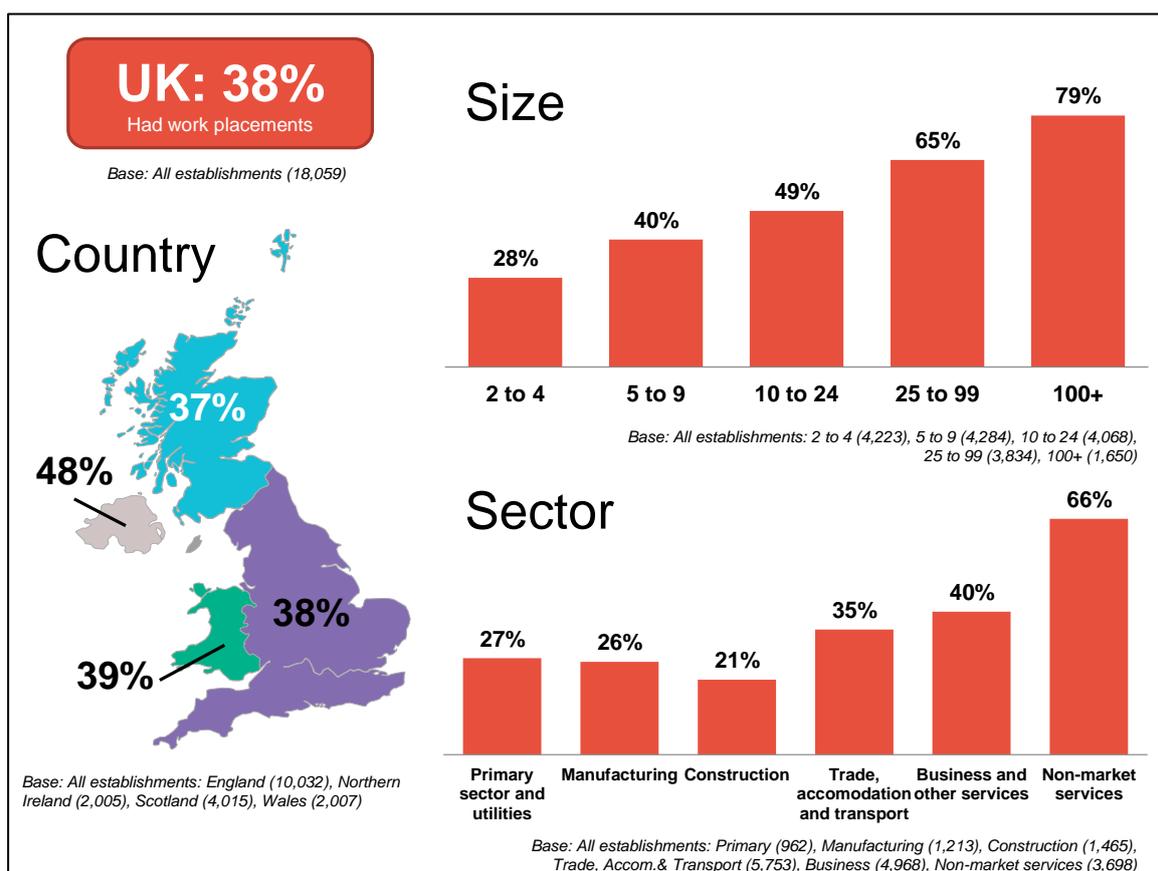
Figure 3.2 shows a summary of those offering work placements by country, size and sector.

By country, employers in Northern Ireland were much more likely to have offered work placements in the last 12 months (48 per cent, compared with the 38 per cent UK average), and in particular to have offered placements to pupils / students from schools and colleges (28 and 22 per cent compared with 20 and 12 per cent on average), as well as placements that targeted the unemployed (17 per cent compared with six per cent on average). These findings should be considered alongside the relatively low proportion of employers in Northern Ireland who recruited young people or education leavers, as explored in Chapter 2.

In a trend that is repeatedly seen in this section in terms of levels of engagement with work experience, larger employers were much more likely than small employers to offer all types of work placements, across each country: 79 per cent of establishments with 100 or more staff had taken individuals on to at least one type of work placement in the last 12 months compared with 28 per cent of establishments with less than five staff.

There were also considerable differences by sector. At one end of the scale, two-thirds of employers in the Non-Market Services sector to have offered work placements in the last 12 months (66 per cent, rising to 80 per cent among employers in the Education sub-sector). At the other end of the scale, employers in the Construction (21 per cent), Manufacturing (26 per cent) and Primary and Utilities (27 per cent) sectors were much less likely to take on individuals through work placements. Reflecting these differences, the type of organisation appears to be a key driver: third or public sector (65 and 67 per cent) employers were much more likely than those operating in the private sector (34 per cent) to have had work placements. Even among employers in the Non-Market Services sector, public sector employers were more likely to offer work placements (73 per cent) compared with private sector employers (56 per cent).

Figure 3.2 Proportion of all employers who have had an individual on at least one type of work placement in the last 12 months (by country, size and sector)



As one might expect, there were some notable subgroup differences within each type of work placement:

- While large establishments with 100 or more employees were more likely to offer work placements at an overall level, this was particularly evident with internships (27 per cent compared with six per cent on average);

- Employers in the Trade, Accommodation and Transport sector were more likely to offer work trials for new recruits (12 per cent compared with nine per cent on average), and this was driven by employers in the Hotels and Restaurants sub-sector (20 per cent);
- The high proportion of employers in the Non-Market Services sector who took people in education on to work placements was driven by employers within the Education sub-sector (for example 62 per cent of employers in the Education sub-sector took on people from school on to a work placement compared with 20 per cent on average);
- Third sector employers were particularly likely to take individuals on to an internship (13 per cent compared with six per cent on average) and offer placements targeted at the unemployed (19 per cent compared with six per cent on average).

For a full breakdown of those offering specific types of work placements by country, size, sector and type of organisation please refer to Appendix A, Table A.3.1.

Owing to a different approach being taken to ask employers about their work placements in 2014²¹, this year's figures are not comparable to 2012 data. The EPS 2014 Technical report (Shury *et al.*, 2014) contains more detail on this change.

3.4 “Characteristics” of different types of placement

Employers were asked about a variety of characteristics of each type of work placement that they offered:

- The number of people on each placement in the last 12 months;
- The ages of individuals offered each placement (under 25, over 25 or both); and
- The typical length of each placement.

The following subsections present a summary of the characteristics of these placements, as detailed in Table 3.1.

3.4.1 Characteristics of work placements for people in education

Employers offering placements to people in education tended to have taken on either one or two individuals in the last 12 months.

²¹ This decision was taken to ensure that the survey captured more accurately all types of work placement that employers had offered.

School placements typically lasted no longer than three weeks; while FE and university placements tended to last longer (the median was around a month for FE / 6th form students and as much as 2-3 months for university students).

Around three quarters of employers took on only university students aged under 25 on work placements (73 per cent). A further one in eight employers only took on university students aged over 25 (13 per cent).

3.4.2 Characteristics of broad work placements targeted at individuals outside education

Work placements targeted at individuals outside education tended to be offered in greater numbers than any other type of work placement: on average employers who had individuals on work trials took on four such individuals in the last 12 months, while those with schemes for the long-term unemployed took on five individuals on average.

They were also much more likely than other placements to be offered to people over the age of 25: around half of employers offered work trials or schemes for the unemployed to people aged over 25.

Commonly, work trials were fairly brief compared with most other types of placements: 40 per cent of employers reported that their work trials typically lasted a week or less. In contrast, placements for the unemployed varied in length more substantially, although only around a quarter of employers reported them lasting over three months²².

3.4.3 Characteristics of internships

Employers who offered (either paid or unpaid) internships tended to take fewer individuals on to an internship compared with all other types of placement; over half took on only one intern in the last 12 months. The age groups of individuals taken on to internships followed a similar pattern as placements for people at university, with the majority of employers taking on people aged under 25: only 23 per cent of these employers took on interns aged 25 or over.

Internships appeared to last slightly longer than most other types of work placements. Two-fifths of employers reported that their internships typically lasted over three months (40 per cent).

²² To provide additional context to this, statistics from the Work Programme show that 22 per cent of individuals on the Work Programme with sufficient time to do so had spent at least six months in work (or three for the harder to help):

Table 3.1 Characteristics of work placements by each type of placement

	School	FE or 6 th form	University	Work trials	Unemployed	Internship
<i>Un-weighted base</i>	5,142	3,399	3,274	2,057	1,780	1,559
	%	%	%	%	%	%
Number of individuals						
1	42	47	49	35	38	56
2	25	22	20	24	21	22
3-4	17	15	13	19	17	11
5-9	9	8	9	12	12	5
10+	6	5	6	8	9	2
Don't know	2	4	3	3	3	5
<i>Mean</i>	3	3	3	4	5	2
Age						
Under 25 only	100	90	73	48	49	72
Both age groups	0	5	11	22	20	8
25 or over only	0	5	13	28	29	15
Don't know	0	1	2	2	2	5
Typical length						
A week or less	42	17	9	40	7	4
Two to three weeks	41	24	15	13	12	7
Around a month	4	10	11	12	17	12
Two to three months	6	21	32	22	33	32
Four to six months	3	11	13	7	14	18
Seven to 12 months	2	9	13	2	6	16
Over a year	2	6	5	2	5	6
Don't know	1	3	2	2	5	5
<i>OVER THREE MONTHS</i>	6	26	31	11	26	40

Base: All establishments that had individuals on each type of work placement in the last 12 months

3.5 Volume of work placements

Based on the proportion of employers offering work placements and the number of individuals they reported in the last 12 months, we can estimate that four million work experience placements were offered in the UK in the last year (roughly 2.4 million of these were aimed at students in education).

3.6 The extent to which work placements end in employment

Employers were also asked whether any work placement that they had offered in the last 12 months had resulted in them taking on an individual into a permanent or long-term paid role.

Across all placements, three in 10 of all employers (31 per cent) had taken on an individual into a permanent or long-term role. As might be expected, establishments were more likely to take on an individual following a work trial than any other type of placement (60 per cent). Only one in 10 employers offering placements for people at school (10 per cent) reported that these placements had resulted in permanent employment. Across the remaining five placements, this figure varied from between one in six and a quarter, as Table 3.2 shows. It is perhaps a positive indication that a quarter of employers who offered placements specifically targeted at the unemployed (25 per cent) had taken on at least one individual into a permanent or long-term paid role.

Table 3.2 Proportion of employers who had taken on an individual into a long-term paid role by each type of work placement

<i>Row percentages</i>	<i>Un-weighted base</i>		Yes	No	Don't know
School	5,142	%	10	89	1
FE or 6 th form college	3,399	%	16	83	1
University	3,274	%	21	77	2
Work trials	2,057	%	60	38	2
Unemployed	1,780	%	25	74	1
Internship	1,559	%	23	74	2

Base: All establishments who had taken an individual on to a particular work placement in the last 12 months

Looking at the findings by country and size, two consistent themes emerged across most types of placement:

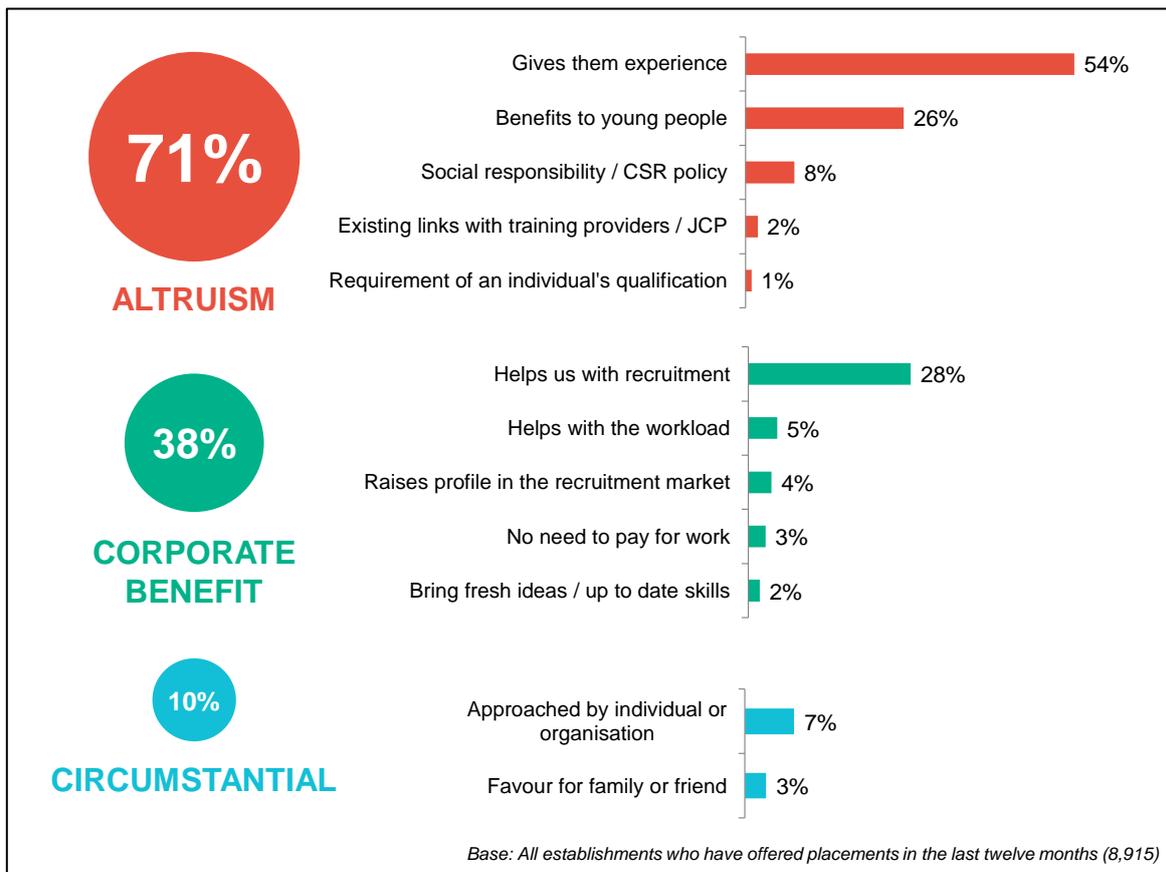
- Employers in Northern Ireland were much less likely to take on individuals into a long term role following any type of placement with the exception of placements for people from school. This is important to note given the higher proportion of employers in Northern Ireland who have taken on individuals on any work placement (48 per cent compared with 38 per cent on average);
- Small employers with fewer than 25 employees were less likely to take on an individual into a permanent role than larger employers with 25 employees or more (for example, 17 per cent of establishments with fewer than 25 employees who had had individuals from university on work placements took them on into a long-term role compared with 30 per cent of those with 25 employees or more).

The story by sector is less clear. It is however noticeable that employers in the Non-Market Services sector, while more likely to take on a greater number of individuals on to a work placement, were generally no more likely to take on individuals into long-term or permanent employment than establishments across the economy as a whole. These findings (along with differences by country, size band and type of organisation) are shown in detail in Appendix A, Table A.3.2a.

It is of some value to explore the employers who gave long-term roles to individuals on placements from school. Private sector employers were far more likely to take on these individuals (11 per cent compared with five per cent of third sector employers and seven per cent of public sector employers). Meanwhile at a broad sector level, employers in the Trade, Accommodation and Transport sector were most likely to take on these individuals (12 per cent, rising to 18 per cent of employers in the Hotels and Restaurants sub-sector).

3.7 Reasons for offering placements

All establishments that had individuals undertaking work placements in the last 12 months were asked on an unprompted basis why they had decided to offer them. Most commonly, establishments responded with reasons of an altruistic nature, in particular that it gave the individual experience of working in an organisation (54 per cent) or that they decided to offer placements to benefit the young person involved (26 per cent). However, a sizeable proportion also cited reasons that were more focussed on the benefits that placements bring to the organisation, especially with regards to recruitment (28 per cent). A small number of employers reported more 'circumstantial' reasons, by offering placements as a result of being approached by someone (seven per cent) or as a favour for family or a friend (three per cent).

Figure 3.3 Reasons for offering work experience placements

There was a clear distinction between small establishments' responses and employers in other size bands. Establishments with fewer than five employees were less likely to cite reasons of corporate benefit (33 per cent compared with 40 per cent of remaining employers) and more likely to report circumstantial factors (13 per cent compared with eight per cent). Meanwhile, the largest establishments, with 100 or more staff, were much more likely to cite reasons of an altruistic nature (80 per cent compared with 71 per cent of remaining employers).

Employers in the Non-Market Services sector, who were more likely to offer work placements per se, were more likely to do so for altruistic reasons (82 per cent compared with 71 per cent on average, rising to 86 per cent of employers in the Education sub-sector). Employers in the Manufacturing and Trade, Accommodation and Transport sectors were more likely to report various corporate benefit reasons than employers in other sectors (both 42 per cent rising to 51 per cent among employers in the Hotels and Restaurants sub-sector). This is important to note given the higher propensity for employers in the Hotels and Restaurants sub-sector to take on individuals into a permanent or long-term paid roles. Continuing at this detailed sector level, employers in the Financial Services sub-sector were much more likely to cite circumstantial reasons than the UK average (17 per cent compared with 10 per cent).

Half of employers who took on at least one individual at the end of their work placement (51 per cent) did not list helping with recruitment as a reason for offering placements, suggesting that a sizeable proportion of employers unintentionally found placements beneficial to their recruitment practices.

Between 2012 and 2014 there was a change in balance in the broad reasons employers gave for offering work placements. While the proportion of employers citing reasons of an altruistic nature dropped from 75 per cent in 2012 to 71 per cent in 2014, the proportion citing reasons relating to corporate benefit increased from 31 to 38 per cent. Examining specific reasons, fewer employers cited wanting to help out young people (26 per cent) than in 2012 (35 per cent), while more workplaces currently report using work placements to help with recruitment (28 per cent) than in 2012 (20 per cent). With an increased emphasis on corporate benefit one might expect or hope that the practice of offering work placements will become more ingrained in employers' strategies, even through the vicissitudes of the economic life cycle. From this perspective, the future of work placements appears positive.

While this shift in focus towards corporate benefits occurred across a wide spectrum of establishments, it was particularly apparent in the Construction, Manufacturing and Trade, Accommodation and Transport industries. Tables A.3.3a-c in Appendix A present these reasons with time series comparisons.

3.8 Work inspiration activities

Employers were also asked about their engagement with institutions in offering particular work-related learning activities (or 'work inspiration') to their students. As mentioned earlier on in this chapter, just under one-fifth of all establishments (18 per cent) had conducted at least one of the following types of work inspiration activities in the last twelve months:

- Held site visits at their establishment for students (eight per cent);
- Visited into schools, colleges or universities to talk to students about careers in their organisation (eight per cent);
- Provided one to one mentoring support, either face to face or online to students (seven per cent);
- Conducted mock interviews with students (four per cent);
- Helped design and/or set coursework for students (four per cent);
- Sponsored, supported or participated in any enterprise competitions (three per cent).

Figure 3.4 summarises differences by nation, size and sector. Employers in Northern Ireland and Scotland (22 and 21 per cent respectively) were more likely to provide work inspiration activities than those in England and Wales (both 17 per cent). Similar trends by size and sector can be seen among employers taking on work placements and broader work inspiration activities: establishments with 100 or more employees and those in the Non-Market Services sector were both more likely to provide these activities (57 and 37 per cent respectively).

Figure 3.4 Proportion of all employers who had conducted any work inspiration activities in the last 12 months (by country, size and sector)

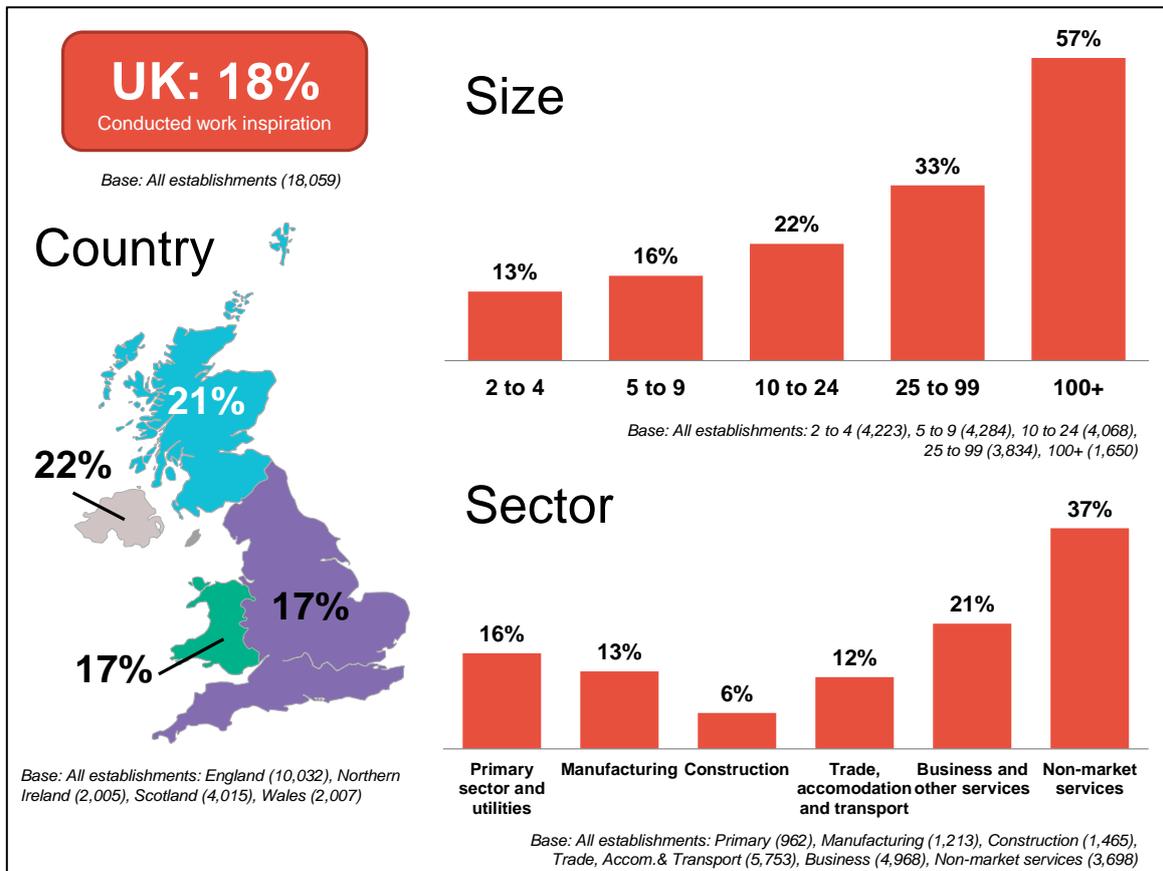


Table A.3.4 in Appendix A breaks down these subgroup differences by each work inspiration activity. Larger establishments and employers in the Non-Market Services sector were typically more likely to offer each type of activity. This was particularly evident where employers:

- Visit educational institutions - only four per cent of establishments with fewer than five employees had visited educational institutions to talk to students compared with 40 per cent of establishments with 100 or more employees;
- Hold site visits – 20 per cent of employers in the Non-Market Services sector held site visits at their establishment compared with the eight per cent UK average. Perhaps understandably, employers in the Construction sector were least likely to have held site visits (two per cent);
- Provide mentoring support – 18 per cent of employers in the Non-Market Services sector had provided one-to-one mentoring support to students, compared with the seven per cent UK average.

Employers who had individuals undertaking work placements were more likely to offer work inspiration activities (32 per cent) compared to establishments that did not offer any placements (nine per cent). There were certain types of employer where this crossover of offering both work placements as well as work inspiration was less common, such as small establishments with fewer than five employees (25 per cent) and employers in the Construction and Trade, Accommodation and Transport sectors (15 and 20 per cent respectively). While resource and the nature of work might restrict opportunities to engage students in this way, it might be worth considering how best to facilitate engagement with institutions providing work placements to offer broader 'work inspiration' activities.

It is also worth considering those employers who offered work inspiration activities but did not take on any individuals on work placements in the last 12 months as they are potentially closer to offering work placements than those not engaged with any kind of work experience at all. Nearly a third of employers who conducted work inspiration activities (32 per cent) had not had any individuals on a work placement in the last 12 months. More detailed analysis shows that:

- Employers in Scotland were most likely to conduct work inspiration activities without offering work placements as well (38 per cent);
- Small establishments with fewer than five employees (45 per cent) and employers in the Primary and Utilities sector (51 per cent) were also more likely to offer work inspiration activities without offering work placements;
- At a broader level, approaching two-fifths of private sector establishments who conducted work inspiration activities did not also offer work placements (37 per cent), in stark contrast to the proportions of third sector (21 per cent) and public sector (16 per cent) employers that fit in this category;
- There was a degree of difference depending on the type of work inspiration activities that employers offered: those who supported enterprise competitions were much more likely (38 per cent) to have only conducted work inspiration activities, while employers who conducted mock interviews with students seemed more engaged (only 21 per cent had not had work placements as well).

3.9 Barriers to engagement with institutions on work inspiration

Among those employers engaged in work inspiration activities, 55 per cent worked with schools, 45 per cent with colleges and 36 per cent with universities in order to deliver the activities. This section focusses on issues employers have encountered when engaging these institutions.

3.9.1 Difficulties faced and reasons for not engaging institutions

A minority of employers reported experiencing difficulties when engaging institutions in order to provide work inspiration activities to their students: eight per cent of those engaging schools, eight per cent of those engaging colleges and four per cent of those engaging universities encountered such difficulties.

There was little difference by size of employer, although smaller establishments were more likely to cite difficulties engaging with colleges (nine per cent of those with less than 25 employees compared with five per cent of those with 25 or more employees).

Employers in the Non-Market Services sector were more likely than employers in other sectors to encounter difficulties with schools (12 per cent, rising to 13 per cent among employers in the Health and Social Work sub-sector), while more third sector employers tended to encounter such difficulties with both schools (14 per cent) and colleges (11 per cent) than other employers.

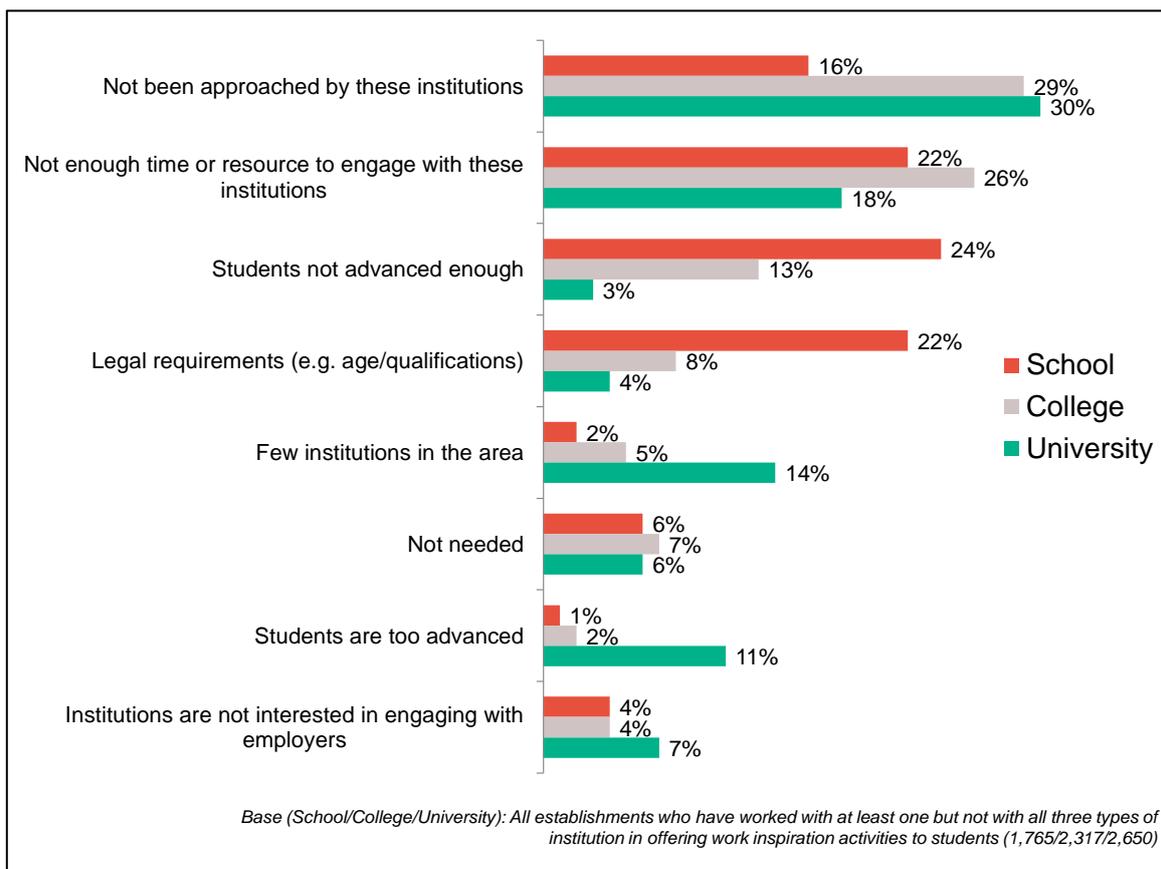
Most commonly, employers who reported experiencing difficulties said that institutions had little interest in engaging them on work inspiration activities (36 per cent of employers engaging schools and universities; 22 per cent of those engaging colleges).

Poor quality of candidates was also widely mentioned, although this issue was more prevalent among those engaging schools and colleges (21 and 23 per cent respectively) than universities (eight per cent). A fairly high proportion of employers also cited communication difficulties either at the initial phase of engagement or during subsequent forms of contact. Initial communication, i.e. finding the appropriate member of staff to enquire about the possibility of offering work placements, appeared to be particularly difficult for employers engaging universities (28 per cent compared with 15 per cent for both schools and colleges). Table A.3.5 in Appendix A presents these difficulties faced with schools, colleges and universities.

To further explore barriers to engagement, employers that had worked with at least one but not with all three types of institution were asked their reasons for not engaging with particular types of institution.

As Figure 3.5 shows, perceived issues relating to supply appeared to be the key deterrent for employers engaging a wide range of institutions. The most frequently cited reason was that institutions (in particular colleges and universities) had not approached employers about offering work inspiration activities. This implies that some employers regard it as being the provider's responsibility to approach them in order to start the process of offering work inspiration activities. If the provision of work inspiration opportunities is to become more widespread over time, this attitudinal mindset might need to be addressed. Students not being advanced enough for the business, legal requirements and a lack of institutions in the area were also frequently mentioned by employers as reasons for not engaging with other institutions.

A fairly high proportion of employers reported that they did not have the time or resource to engage certain institutions (22 per cent of those who did not work with schools; 26 per cent colleges; 18 per cent universities). However this may reflect the resource these employers were already using on work inspiration activities with students from other types of institution.

Figure 3.5 Reasons for not engaging with particular institutions

3.9.2 Encouraging more employers to offer work experience

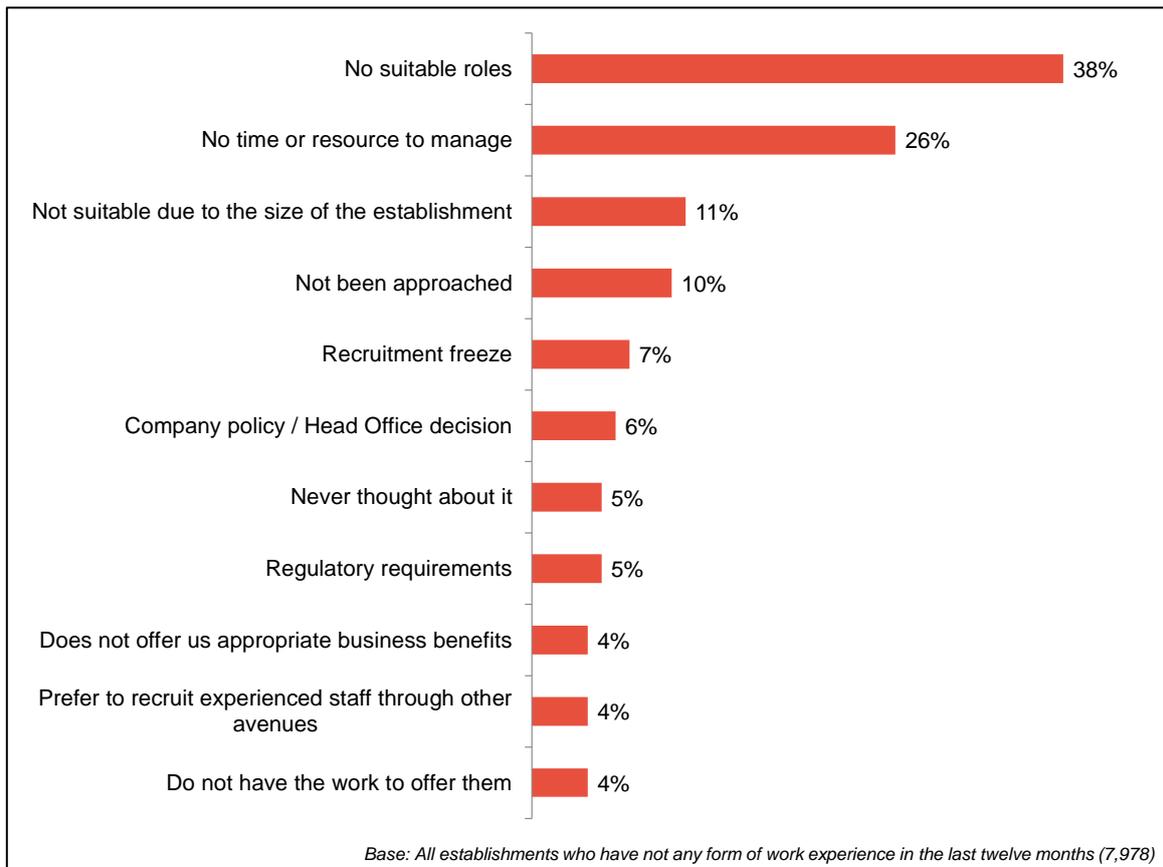
The remainder of this section now focusses on the 56 per cent of employers who had not conducted any forms of work experience in the last 12 months, i.e. they had neither had any individuals on a work placement, nor conducted any work inspiration activities. It assesses both the spontaneous reasons for not offering work experience as well as what might encourage them to do so in future.

Overwhelmingly, employer response here was governed by a consideration of internal limitations, either because work experience was not felt suitable for the business, or due to a lack of capacity to offer these activities, as shown in Figure 3.6.

Nearly two-fifths of employers who had not provided any work experience activities to individuals in the last 12 months reported that this was because they had no suitable roles at the establishment (38 per cent). Establishments with fewer than five employees (41 per cent) and employers in the Primary and Utilities and Construction sectors (46 and 45 per cent respectively) were particularly likely to cite this issue. A further 11 per cent of employers also felt that work placements were not suitable due to the size of the establishment.

Meanwhile, around a quarter of employers cited a lack of time or resource in managing this process (26 per cent), which points to a need to reduce the (perceived) employer burden that offering work experience entails. This was particularly common among employers in the Business and Other Services sector and those in the third sector (both 33 per cent).

Figure 3.6 Main reasons for not offering work placements or providing work inspiration activities



3.9.3 Encouraging future engagement

Around half of employers were unable to suggest suitable measures that could encourage them to offer work experience in future: a third reported that nothing could be done to encourage them to engage with educational institutions or offer work experience placements in future (34 per cent), while a further 17 per cent were not sure what could be done.

The most common actionable suggestion made by employers was that of financial incentives (15 per cent). This perhaps contrasts with findings from the Work Experience Placement Trials for 16-19 year olds which indicated that employers, albeit already engaged with educational institutions to offer work experience to students, were not motivated by financial incentives²³. Establishments in Northern Ireland, those with fewer than five employees and employers in the Construction sector in particular regarded financial incentives as important to future engagement (22, 17 and 19 per cent respectively).

Employers also valued more pro-active approaches from educational institutions to link their students to employers (12 per cent). Large establishments with 100 or more employees and employers in the Non-Market Services sector were more likely to suggest that pro-active approaches from institutions would be beneficial (both 17 per cent).

Additional suggestions included less bureaucracy (six per cent), better quality of placement candidates, a need to grow their business before taking on individuals in this role and receiving help on finding suitable candidates (all five per cent).

3.10 Awareness of Traineeships

In August 2013, Government introduced a new scheme in England open to 16 to 23 year olds not in work and looking to get a paid job. The scheme offers the opportunity to undertake substantial work placements alongside support with basic skills such as Maths and English to help them progress on to an apprenticeship or secure other employment.

EPS 2014 canvassed employers' awareness of Traineeships and found that around two-thirds of employers in England (68 per cent) had heard of the scheme, although the proportion that had at least some knowledge of what the scheme involved was much lower, at 39 per cent. By size, large establishments with 100 or more employees were slightly, but significantly more likely than those with five or fewer staff to have heard of Traineeships (72 per cent compared with 67 per cent). These differences by size increased when focussing on employers' knowledge of the scheme (47 per cent compared with 37 per cent). Employers in the Non-Market Services sector were also far more likely to both be aware (74 per cent), and have some knowledge (49 per cent), of Traineeships than the average, with employers in the Public Administration sub-sector driving these differences (80 and 52 per cent respectively).

²³ Sins, Southcott, Lynch and Wade, The National Foundation for Educational Research, Evaluation of the Work Experience Placement Trials (October 2013)

4 Employer Perspectives on People Development

Chapter Summary

- Internal training is more common than external: 58 per cent of all employers provided internal training to staff compared with 45 per cent who provided external training. Both have decreased since 2012, internal training in particular (from 63 per cent in 2012 to 58 per cent in 2014). Overall 69 per cent of employers had arranged or funded any training for their staff in the previous 12 months.
- Where employers offer external training this is more commonly through private providers than public ones such as FE Colleges or Universities / HEIs. Employers in the Non-Market Services sector in particular were more likely to have used a public provider to deliver training than the UK average (32 compared with 15 per cent).
- The majority of employers using private training providers said that they funded all of that training themselves. However almost a quarter (23 per cent) confirmed they had received funding from elsewhere. Around half of establishments who are using public training providers report that they are funding this training entirely themselves, a figure that has remained static since 2012 with regards to the use of HEIs but one that has dropped from 45 to 42 per cent among those using FE Colleges.
- The relevance of the courses offered is the key reason for choosing (or not choosing) a particular type of external training provider among those who do external training. The most common reasons cited by employers for not offering any external training centred around a lack of demand, such as their staff being fully trained.
- A quarter of establishments (26 per cent) offer training that is designed to lead to a vocational qualification, consistent with 2012.
- Over a quarter of establishments (28 per cent) had sought external advice on their skills and training-related issues, slightly fewer than had done so in 2012 (31 per cent). This advice typically came from education providers. The majority of establishments who sought external advice (87 per cent) were satisfied with the support they received.
- Around one-sixth of employers (17 per cent) had worked with other employers to access, develop or share expertise on skills and training with the nature of these working relationships equally likely to be formal or informal / ad hoc. Half of employers who had collaborated in this way (50 per cent) said they had benefited from sharing best practices with other firms.

4.1 Introduction

Promoting investment in skills remains a high priority for Government as they seek to ensure UK workforces remain competitive in an increasingly global marketplace. The Skills Funding Statement 2012-2015 (BIS, 2012) reaffirmed the Government's policy on developing FE and skills training across the UK. This covered a number of improvements and additions to the skills system, including many directly relevant to the funding and qualifications available to employers such as reform of 16-19 vocational qualifications and introduction of the 24+ Advanced Loans funding streams. More broadly, it also looked to promote employer ownership of skills, in terms of funding and co-design, in order to ensure the training and qualifications available to them are relevant to their specific needs.

This chapter explores the approach of employers to their training and skills development practices, and their reasons for taking this approach. Specifically, it examines:

- Employers' approach to training and the sources they use to deliver it;
- The role of vocational qualifications in developing staff;
- The use of both public and private providers for seeking help and advice on skills related issues;
- Collaboration with training providers and other employers on their training and skills development practices;
- Use and awareness of National Occupational Standards;
- Involvement with and awareness of Investors in People.

4.2 Employer approaches to training

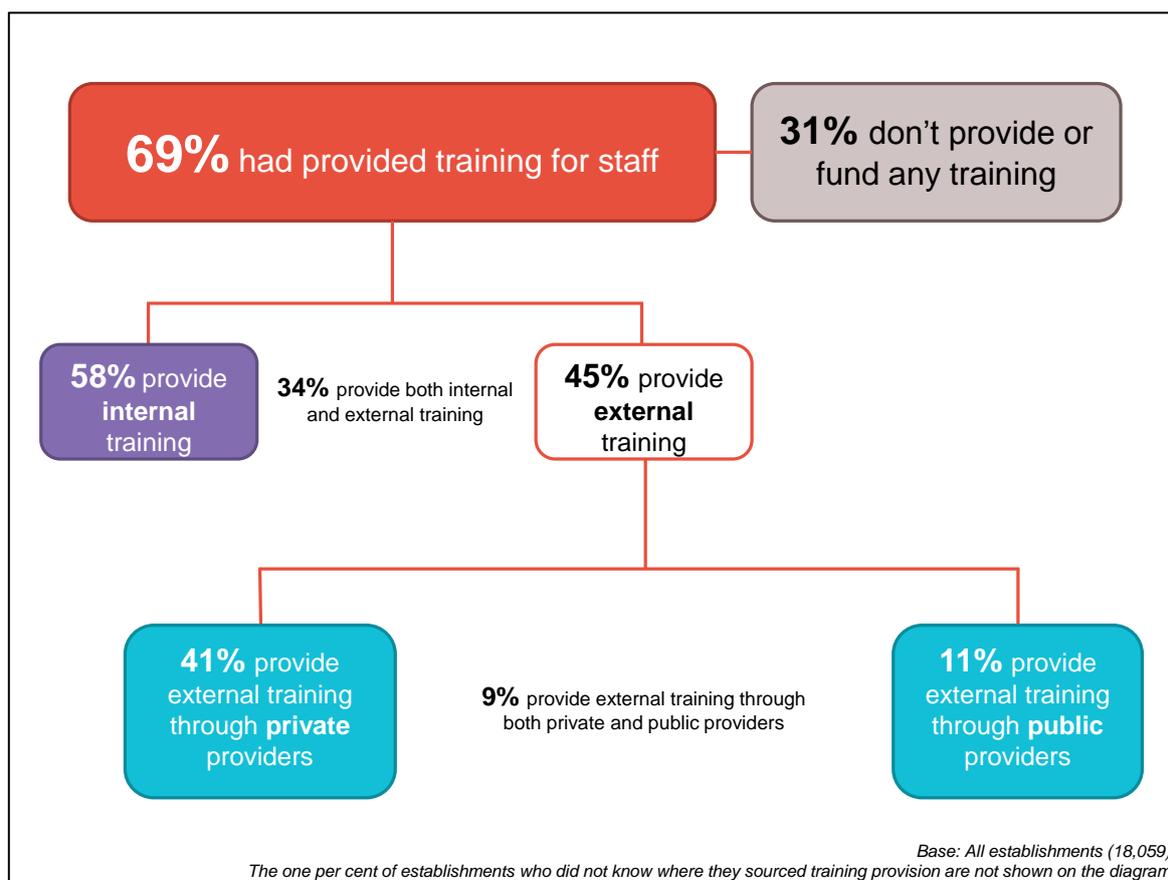
The survey establishes a measure of employer training activity based on the percentage of employers who provide training to their staff which they deliver themselves, run by their own staff (*internal* training), or going to the wider market to source training from external organisations, such as commercial training providers, colleges, universities and not-for-profit providers (*external* training)²⁴. By separating training into internal and external provision in this way, EPS 2014 allows us to explore the extent to which public and private²⁵ provision is meeting employers' needs.

Figure 4.1 illustrates how employers approach their training, and the types of providers they use. The majority of establishments had provided either internal or external training for their staff in the previous 12 months (69 per cent). It was common for training establishments to provide both internal and external training (around half of *employers who had trained* had provided both). However, overall internal training was more typically provided than external: 58 per cent of all establishments had provided internal training to their staff compared to 45 per cent that had provided external training.

When employers offer external training it is more frequently through private providers than through public provision; over two-fifths (41 per cent) of all employers have used private providers to deliver some or all of their training, compared to just 11 per cent who have used any public provision.

²⁴ ESS 2013 measures training activity among staff using definitions of "on- and off-the-job training"; due to the difference in definition figures for training should not be compared across the two studies.

²⁵ For the purposes of this report, "private" is used to refer to commercial and not-for-profit training providers.

Figure 4.1 Nature and source of training offered by employers in last 12 months

There was considerable variation in training activity across the countries of the UK (see Table 4.1), with employers in Scotland most likely to offer training to their staff (72 per cent) and those in Northern Ireland least likely to do so (65 per cent). These variations in overall training are almost wholly driven by variations in the offer of **internal** training. Employers in England, Northern Ireland and Scotland are fairly consistent in their offer of **external** training (with employers in Wales a little less likely to offer it).

Table 4.1 Provision of training by country

	UK	England	Northern Ireland	Scotland	Wales
<i>Base (unweighted)</i>	18,059	10,032	2,005	4,015	2,007
	%	%	%	%	%
Any internal training	58	58	52	63	55
Any external training	45	45	45	46	42
Both internal and external	34	34	32	36	30
Any training	69	69	65	72	67

Base: All establishments (18,059)

The size of employer is a key factor in determining training activity. The largest differences are seen in the provision of external training, which employers with 100 or more staff were almost three times more likely to offer than the smallest establishments with 2-4 staff (87 per cent compared with 30 per cent). Differences were also pronounced by size for internal training, which was offered by 42 per cent of establishments with 2-4 staff compared to 94 per cent of establishments with 100 or more staff.

Employers in the Non-Market Services sector were most likely to have offered either type of training (74 per cent external and 78 per cent internal), and most likely to have offered both (63 per cent compared with 34 per cent overall). Employers in the Primary and Utilities sector were least likely to offer internal training (36 per cent) and least likely to train at all (52 per cent). Employers in the Trade, Accommodation and Transport sector were less likely to deliver external training (34 per cent); this was particularly noticeable among employers in the Wholesale and Retail sub-sector where 32 per cent had done so.

The proportion of employers offering internal or external training has fallen since 2012; this trend has been seen in both internal and external training but with a sharper decrease in the offer of internal training. Employer provision of any internal training has fallen from 63 per cent in 2012 to 58 per cent in 2014, and any external training has fallen from 47 to 45 per cent. This means both that the overall percentage of employers offering any training has decreased (from 73 to 69 per cent), and that the gap between the offer of internal and external training has decreased.

This overall pattern between 2012 and 2014 of larger decreases in employers providing internal training accompanied by smaller decreases in employers providing external training was particularly evident in Northern Ireland and in Wales.

Training has fallen across most sectors, but most markedly in the Primary and Utilities sector where training decreased from 64 per cent in 2012 to 52 per cent in 2014. Similarly, the proportion of employers reporting any training in the Non-Market Services sector had decreased from 95 per cent in 2012 to 88 per cent in 2014. The only sector in which levels of training did not change significantly between 2012 and 2014 was Construction (62 per cent in 2012 and 61 per cent in 2014).

A full breakdown of training incidence by country, size and sector, containing differences between 2012 and 2014 is provided in Appendix A, Table A.4.1.

4.2.1 Sources of external training

As seen in Figure 4.2, employers tended to choose private providers over public providers²⁶ for their external training: two-fifths of all employers use private providers to deliver their training (41 per cent, or 60 per cent of all who provide training) compared with one in nine who use public providers (11 per cent, or 15 per cent of all who provide training). There was some overlap, with nine per cent of all employers (13 per cent of those who train) using both. Employers using public providers were likely to combine this with use of private providers; just two per cent of all establishments had exclusively used public providers.

Consultants and commercial training providers were the most common type of private provider used (46 per cent of all trainers had used these to deliver training), followed by suppliers of other goods and services (31 per cent) and regulatory bodies (16 per cent).

In terms of public provision, the proportion of trainers using Further Education (FE) Colleges was 12 per cent, while the proportion using Higher Education Institutions (HEIs) was seven per cent. Section 4.2.3 explores barriers to investing resource in FE Colleges and HEIs.

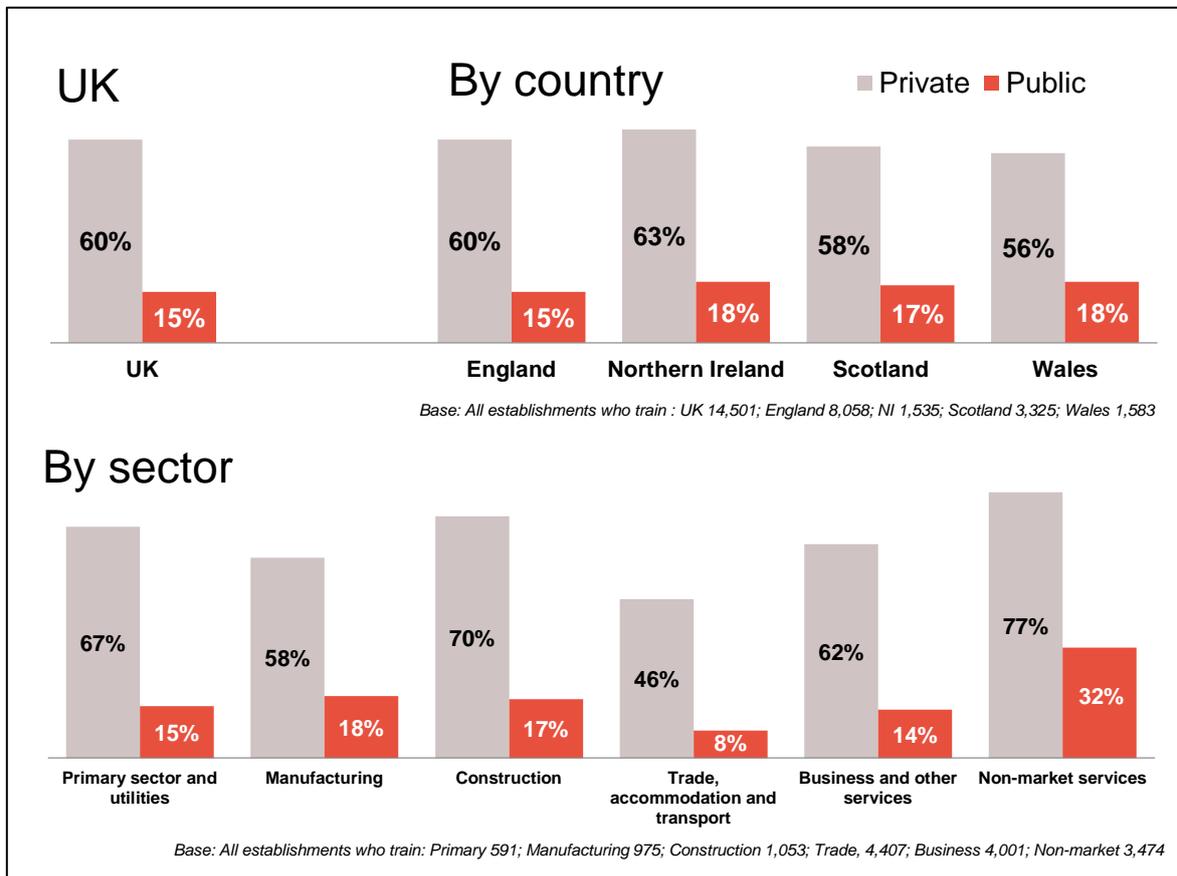
Figure 4.2 shows how the use of public and private providers varied by country and sector. Trainers in England were less likely than trainers in the rest of the UK to use public providers for their training (15 per cent, compared to 17 per cent in Scotland and 18 per cent in Northern Ireland and Wales).

Large establishments were more likely to use each type of training provider, in line with their higher volumes of training (Winterbotham *et al.*, 2014). Among trainers with 100 or more staff 43 per cent had used both private and public providers, compared to just seven per cent of those with 2-4 staff.

²⁶ We define 'public providers' as either HEIs or FE colleges, while 'private providers' include suppliers, customers, other commercial organisations such as private training providers, regulatory bodies and other non-profit making organisations such as employer associations.

Use of public training providers was most prevalent among employers in the Non-Market Services sector (32 per cent of training establishments), and least prevalent among those in the Trade, Accommodation and Transport sector (eight per cent). This wide level of variation is likely to be related to the types of training required by employers in each sector. Employers in the Non-Market Services sector typically employ a higher than average proportion of people in Professional occupations and Caring, Leisure and Other Services roles, both of which often require formal qualifications (be it vocational or academic), which tend to involve training more typically offered by public providers. Later in this chapter we explore the level of training to vocational qualifications.

Figure 4.2 Use of private and public training providers among establishments that train, by country and by sector



Since 2012, the use of private training providers among establishments providing training has increased from 55 per cent to 60 per cent, while use of public training providers has decreased from 19 per cent to 15 per cent. This latter decrease has been particularly marked in respect of FE Colleges, with 16 per cent of trainers using them in 2012 compared to 12 per cent in 2014.

The fall in use of public sector providers was most pronounced among large establishments (100 or more staff), where the proportion of trainers using FE Colleges or HEIs decreased from 56 per cent to 46 per cent. This was primarily driven by a drop in use of FE Colleges (from 48 to 35 per cent), although use of HEIs also fell from 38 per cent to 32 per cent.

Training employers in the Non-Market Services and Construction sectors have also seen a fall in use of public training providers. Once again, this was driven by a particularly large decrease in the use of FE Colleges: from 31 to 21 per cent in the Non-Market Services sector and from 21 to 15 per cent in the Construction sector.

Full details on use of private and public training providers by country, size and sector including changes over time can be found in Appendix A, Table A.4.2.

4.2.2 Funding of external training

Training in the UK is underpinned by large levels of investment, both from the public purse and from employers themselves. ESS 2013 (Winterbotham *et al.*, 2014) revealed total employer expenditure on training of £42.9bn, while Government invests further through schemes including funding for apprenticeships and traineeships, co-investment training propositions, incentives for young people to stay in learning²⁷.

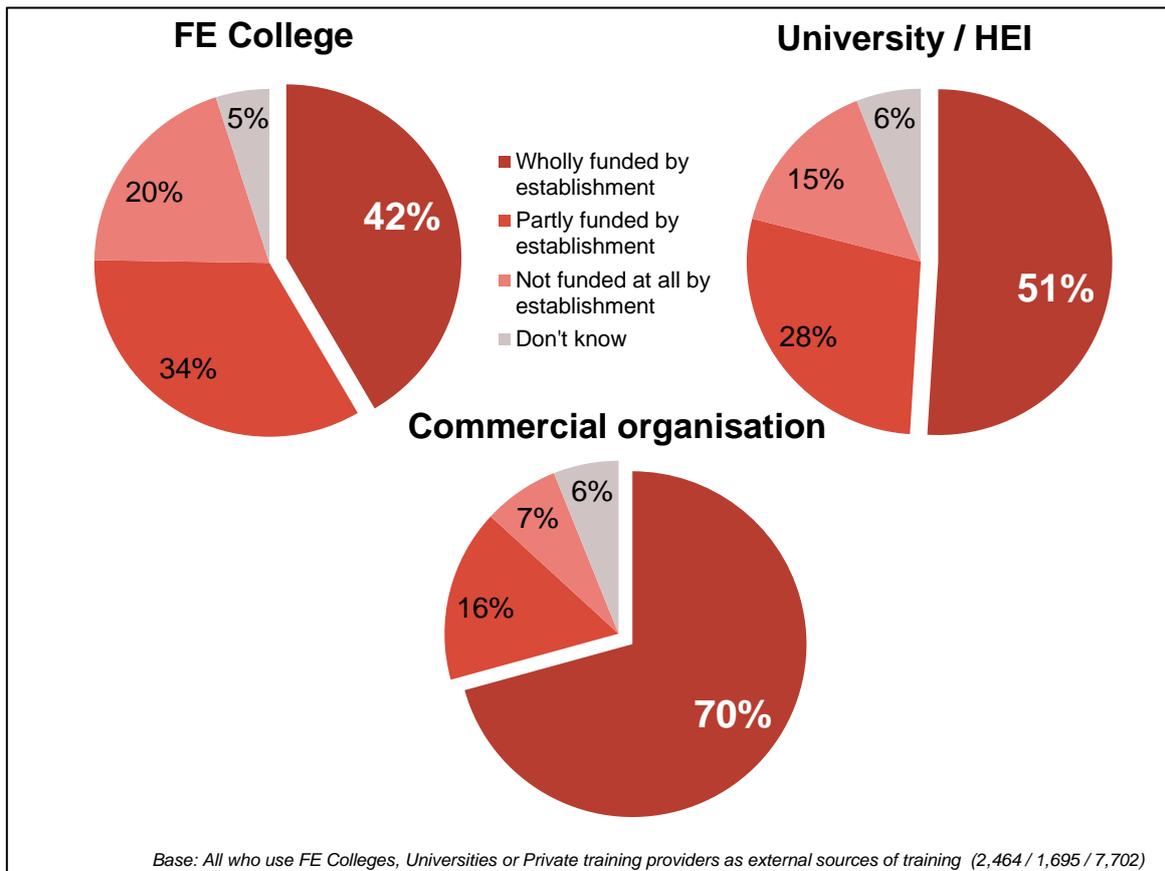
EPS 2014 asked employers who had engaged in external training (both through public and private providers) whether they received any contribution towards the cost of this training.

Just over half of employers using FE Colleges for training (54 per cent) and just under half using HEIs (43 per cent) said that they had **not** paid fully for the training themselves (training was not funded at all by the establishment or was only partly funded by the establishment, see Figure 4.3) i.e. they had received at least some support with this funding for example from grants, subsidies or through employee contributions. It was uncommon for employers to have not made any form of financial contribution to the costs of the training (20 per cent for FE Colleges and 15 per cent for HEIs), but this is still a substantial minority that are not contributing to funding.

²⁷ Reference in UKCES (2013b) *Employer Ownership of Skills: Building the Momentum*

It was rarer still for employers using commercial providers not to meet some of the cost themselves, although it was not unheard of: seven per cent of employers who used commercial providers for external training said they had not funded any of the training. Seven in 10 of them (70 per cent) said they had paid wholly for the training themselves, compared to four in 10 employers using FE Colleges (42 per cent) and half using Universities (51 per cent).

Figure 4.3 Funding of external training by type of training provider



The largest establishments (those with 100 or more staff) were most likely to fully fund training from private sources themselves (79 per cent), as were those in the Manufacturing sector (83 per cent). By contrast, employers in the Trade, Accommodation and Transport sector (65 per cent) were less likely to fully fund training; this was particularly seen among employers in the Hotels and Restaurants sub-sector where only 59 per cent fully funded their training through private providers.

There has been a slight reduction since 2012 in the proportion of establishments using FE Colleges who claim to fund this training entirely themselves (from 45 to 42 per cent of those using FE Colleges), whereas for HEIs this has remained reasonably consistent (52 per cent in 2012 compared to 51 per cent in 2014). These findings need to be considered in the context of Government encouraging employers to rely less on the public purse for funding the training of their staff.

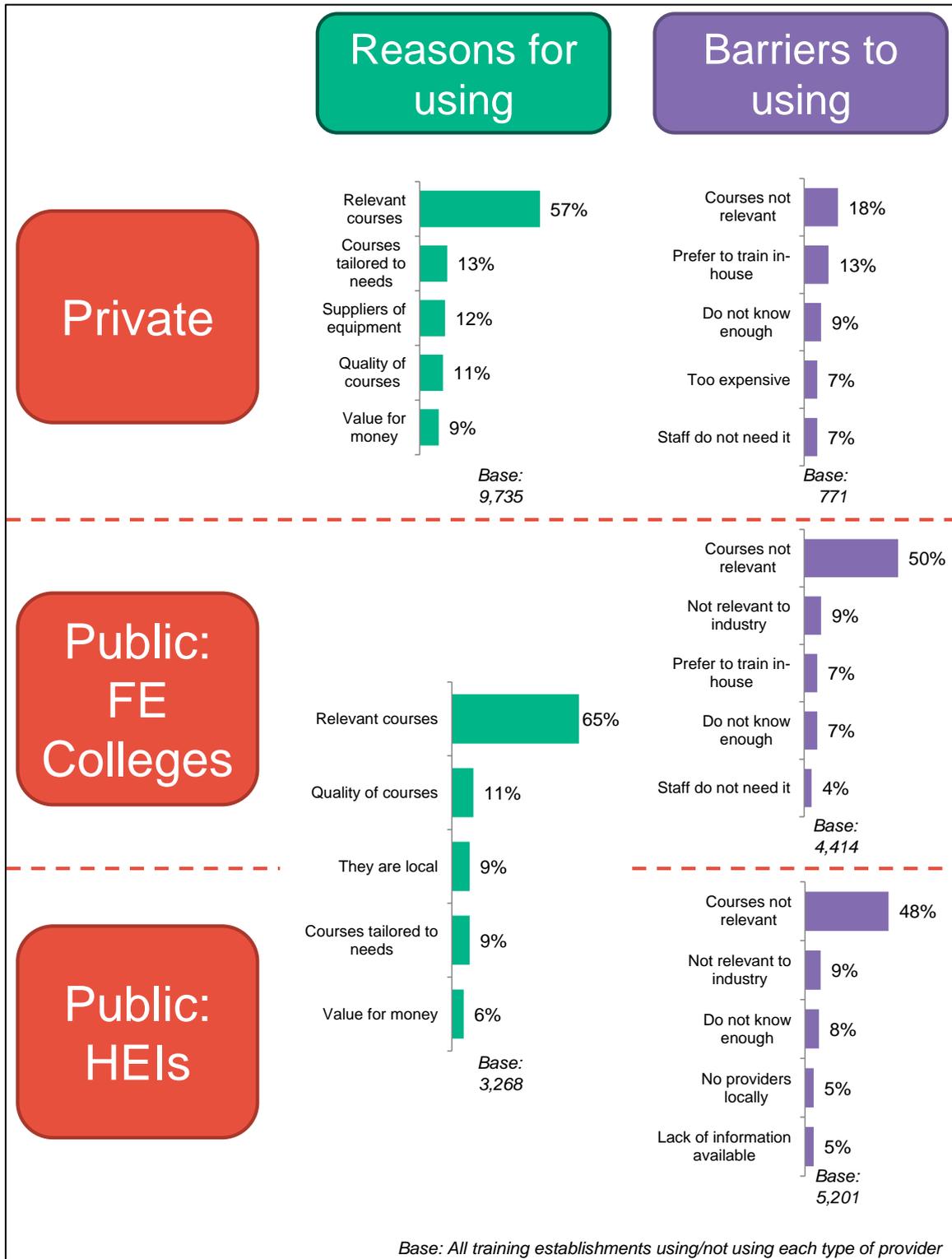
4.2.3 Reasons for choosing to invest resource in different types of training provider

Employers who had used external training providers were asked about their motivations for choosing each type of provider. Similarly, those who had not used each type of provider were asked the reasons for not doing so. The main reasons and barriers to using each type of provider can be seen in Figure 4.4.

The relevance of course provision was the key reason for choosing both private and public providers (57 per cent and 65 per cent respectively), and where there was a perceived lack of relevance this was the main barrier for not selecting private (18 per cent) or public providers (FE Colleges - 50 per cent; HEIs - 48 per cent).

Tailoring courses to meet the needs of the employer was valued highly by employers (13 per cent among those who chose private providers, nine per cent those who chose public providers), as was the general quality of the course (both 11 per cent). One in eight employers also reported using private providers as a result of receiving equipment or services from that provider for which they needed tuition or training (12 per cent).

Figure 4.4 Top five reasons for and barriers to using different types of training provider



It is encouraging to note that the proportion of employers, who had provided external training but had not used private provision, due to costs had reduced considerably from 14 per cent in 2012 to seven per cent in 2014.

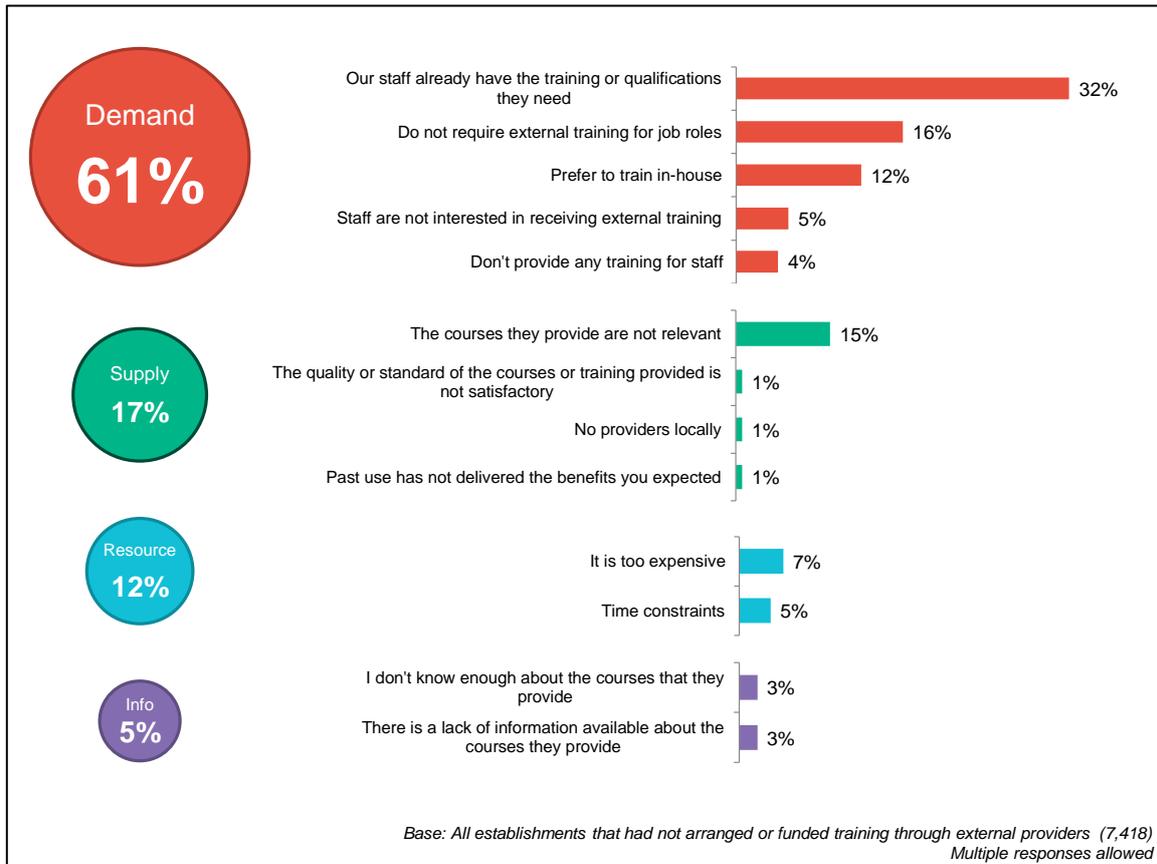
4.2.4 Reasons for not using external providers

As well as investigating the reasons behind employers choosing particular types of external provider, the survey also explored why other employers did not offer external training at all. This is analysed separately for the 31 per cent of employers who did not train at all, and the 24 per cent who had provided internal training but not used external providers.

Demand side issues, such as staff already having completed the training and qualifications that they need, not requiring training for their job role and a preference for in-house training, were key to why employers had not used external providers (61 per cent). More employers reported demand-side issues than supply-side issues such as the relevance and quality of courses available (17 per cent) or other inhibiting factors such as internal resourcing (12 per cent) and lack of information (five per cent; see Figure 4.5). This held true both for those who do not train at all and those who only train internally.

The specific demand-side barriers to external training for employers providing no training and those providing internal training only were slightly different in scale, but broadly similar in scope. The only exceptions to this were that non-trainers were more likely to say their staff did not require external training, and internal-only trainers were more likely to say they prefer to train in-house.

Figure 4.5 Reasons for not using external providers



Supply-side issues were more likely to be mentioned by employers in Wales (22 per cent, compared to 17 per cent overall). This was primarily to do with the relevance of courses, mentioned by 19 per cent (compared to 15 per cent overall).

The smallest employers (with 2-4 staff) were more likely to report demand-side issues as the reason for not using these providers than large employers with 100 or more staff (64 per cent compared with 56 per cent). Establishments with 100 employees or more were less than three times as likely (11 per cent) to say that their staff had all the training they needed compared to smaller establishments of fewer than 10 members of staff (34 per cent)

By broad sector, employers in the Construction sector were the most likely to report that they did not engage an external training provider due to a lack of demand (69 per cent), in particular that their employees already have the requisite training or qualifications (45 per cent). This contrasts with employers in the Non-Market Services sector, who were least likely to cite reasons pertaining to low demand (53 per cent). Employers in the Non-Market Services sector were more in fact likely to cite resource issues (22 per cent) as a barrier, particularly that external courses were too expensive (17 per cent compared with seven per cent average). This was particularly prevalent in the Health and Social Work sub-sector (20 per cent).

4.3 Training to vocational qualifications

This chapter so far has looked at the means of delivery and source of the training employers provide for staff. This next section moves on to the type of training they are delivering, specifically, the provision of training aimed at achieving formal vocational qualifications (VQs).

Chapter two highlighted that when employers are recruiting, they increasingly look to VQs as an indicator of the quality of candidates. This section will explore the value employers place on Vocational Qualifications, looking at employer use of training towards nationally-recognised VQs and the perceived benefits of VQs to firms and their staff.

4.3.1 Take up of vocational qualifications

Overall, just over a quarter of employers (26 per cent) said they had arranged or funded training designed to lead to a recognised vocational qualification; this equates to 38 per cent of all those who had provided any training for their staff over the previous 12 months.

Employers in Northern Ireland were less likely to have arranged or funded training designed to lead to a VQ (22 per cent).

Large employers with 100 or more staff were far more likely to have arranged training designed to lead to VQs (69 per cent). It was also more common in the Non-Market Services sector (51 per cent), particularly among establishments in the Education sub-sector (56 per cent).

The take up of VQs has remained consistent since 2012.

4.4 Levels of vocational qualifications arranged/funded

Employers who had arranged or funded training towards VQs were asked to which QCF levels these related²⁸. Levels 2 and 3 were most widely offered (44 and 48 per cent respectively), but a considerable minority had arranged training at Level 5 and above (22 per cent).

Reflecting their higher propensity to offer training to VQs overall, larger employers were more likely than smaller employers to offer every level of VQ.

There were considerable differences by sector: qualifications at Level 3 or higher were most likely to be offered by establishments in the Non-Market Services sector (84 per cent), this was particularly seen in the Health and Social Work sub-sector (85 per cent).

Employers in the Primary and Utilities sector were more likely to offer VQs at Level 2 or below (50 per cent) than Level 3 or above (47 per cent), as were employers in the Construction sector (58 per cent compared with 50 per cent) and at the sub-sector level Hotels and Restaurants (70 per cent compared with 60 per cent).

Table A.4.3 in Appendix A presents take up of VQs alongside the levels of VQs establishments arranged by size, sector and nation.

4.5 The benefits of vocational qualifications to employers and employees

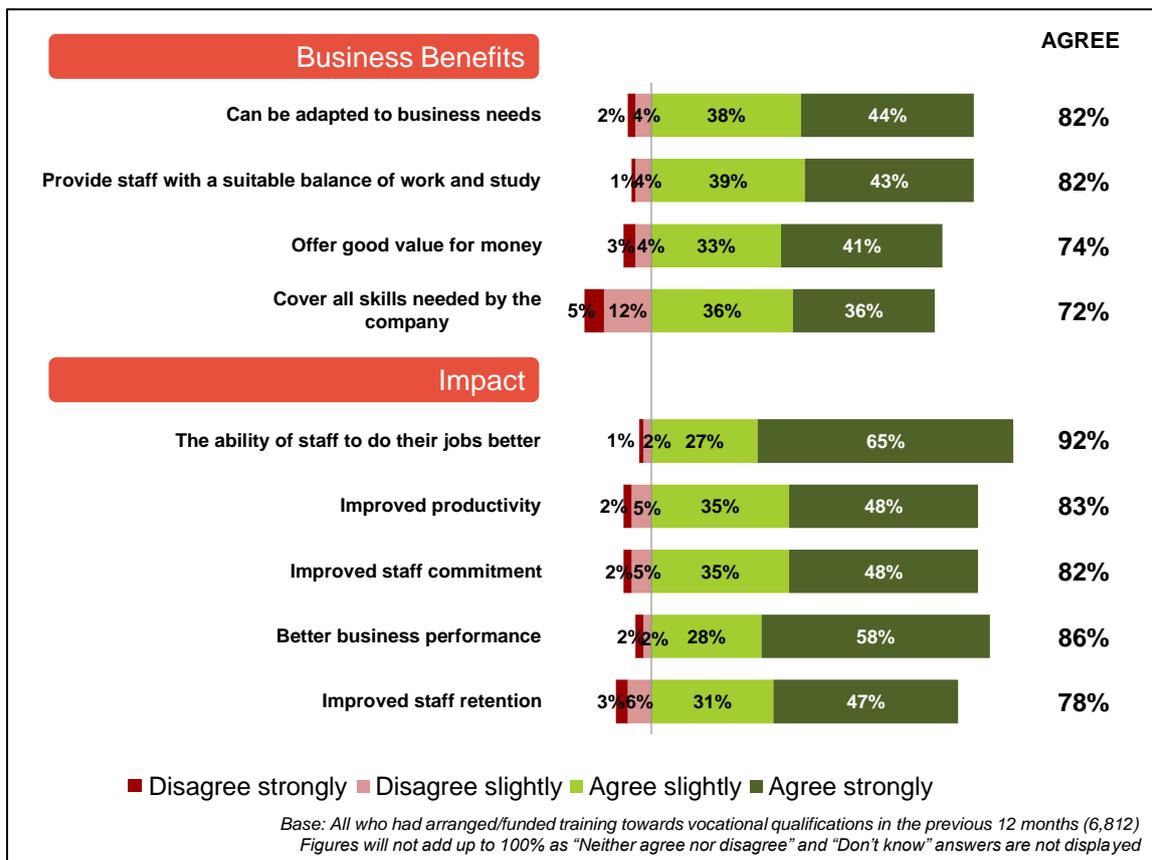
Establishments that had arranged or funded training designed to lead to a recognised VQ in the last 12 months were asked how well suited it was to their needs and what the benefits were for their business and for their staff.

Generally, employers were positive about the flexibility, balance and value for money of VQs, but slightly less positive about the content with around a sixth (16 per cent) disagreeing with the statement “VQs cover all of the skills needed by the company” (see Figure 4.6).

Employers were also asked about the impact of VQs on their staff. Nearly all employers agreed that their staff achieving VQs enabled them to do their job better (92 per cent, 65 per cent strongly agreed). The vast majority also agreed that VQs led to better business performance among staff (86 per cent). Around four-fifths of employers then agreed VQs improved staff productivity, commitment and retention.

²⁸ This report quotes the levels as defined in England, Wales and Northern Ireland. In Scotland the levels are different (<http://scqf.org.uk/the-framework/scqf-levels/>). Employers in Scotland were asked the question in respect of SCQF levels; see question D15 in the questionnaire in the technical report for details.

Figure 4.6 Perceptions of using vocational qualifications among establishments that train to vocational qualifications



Views on VQs have remained largely consistent since 2012.

Findings by country, size and sector can be found in Appendix A, Tables A.4.4 and A.4.5.

In some cases, achieving a vocational qualification has a direct benefit on employees' pay and job level. Among 17 per cent of establishments offering VQs for their staff, the achievement of a vocational qualification *always* leads to a pay increase and among nine per cent of employers achieving a VQ *always* led to a promotion or improved job status.

However a considerable proportion of employers offering VQs do not tie them to pay and promotion for staff. One third (33 per cent) say they rarely or never lead to a pay increase, and a quarter (26 per cent) that they rarely or never lead to promotion or improved job status. In all, 17 per cent of employers say the achievement of a VQ by a member of staff rarely or never leads to pay or promotion.

4.6 Barriers to greater take-up of vocational qualifications

Training employers who had not arranged or funded training designed to lead to a recognised vocational qualification were asked why they had not done so. Figure 4.7 shows the responses. The barriers being faced by employers were mixed, and can be classified into four categories: lack of demand, issues with the supply (quality or content of VQs), problems finding the financial resources and a lack of knowledge about VQs.

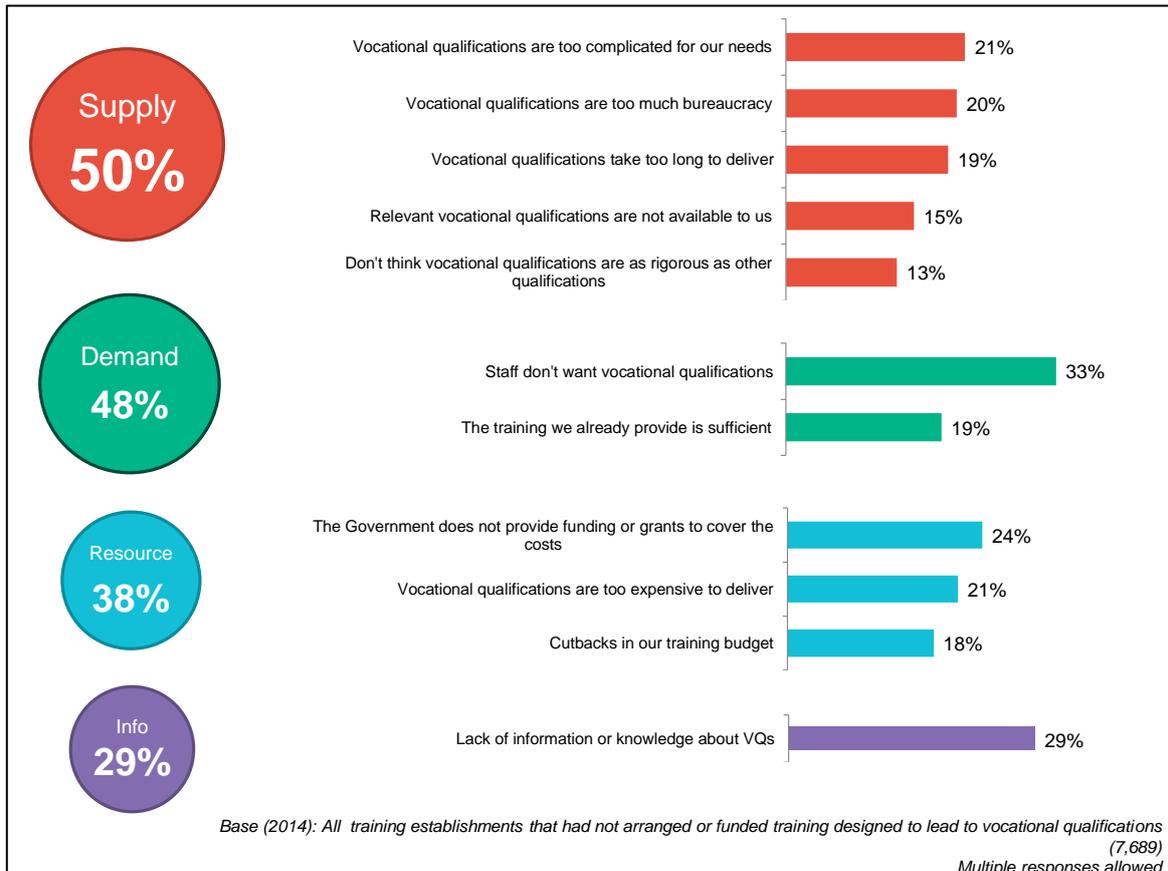
The main reasons for not offering VQs focused on both the demand for the qualifications, and supply side issues about the qualifications themselves, each mentioned by around half of employers who do not offer VQs (48 and 50 per cent respectively).

Issues cited on the supply side were varied, with around a fifth of employers reporting the perceived complication of running them (21 per cent) as a barrier, bureaucracy involved (20 per cent) and the time they take to deliver (19 per cent).

A perceived lack of demand among staff is put forward by 33 per cent of employers, saying employees do not want VQs; this was the single largest reason for not offering the qualifications.

Almost four in 10 did not have the financial resources to offer VQs (38 per cent), and a lack of awareness of the sorts of VQs available was also an issue for three in 10 (29 per cent).

Figure 4.7 Barriers to training staff towards vocational qualifications



4.7 Seeking information, advice and other practical help on skills and training-related issues

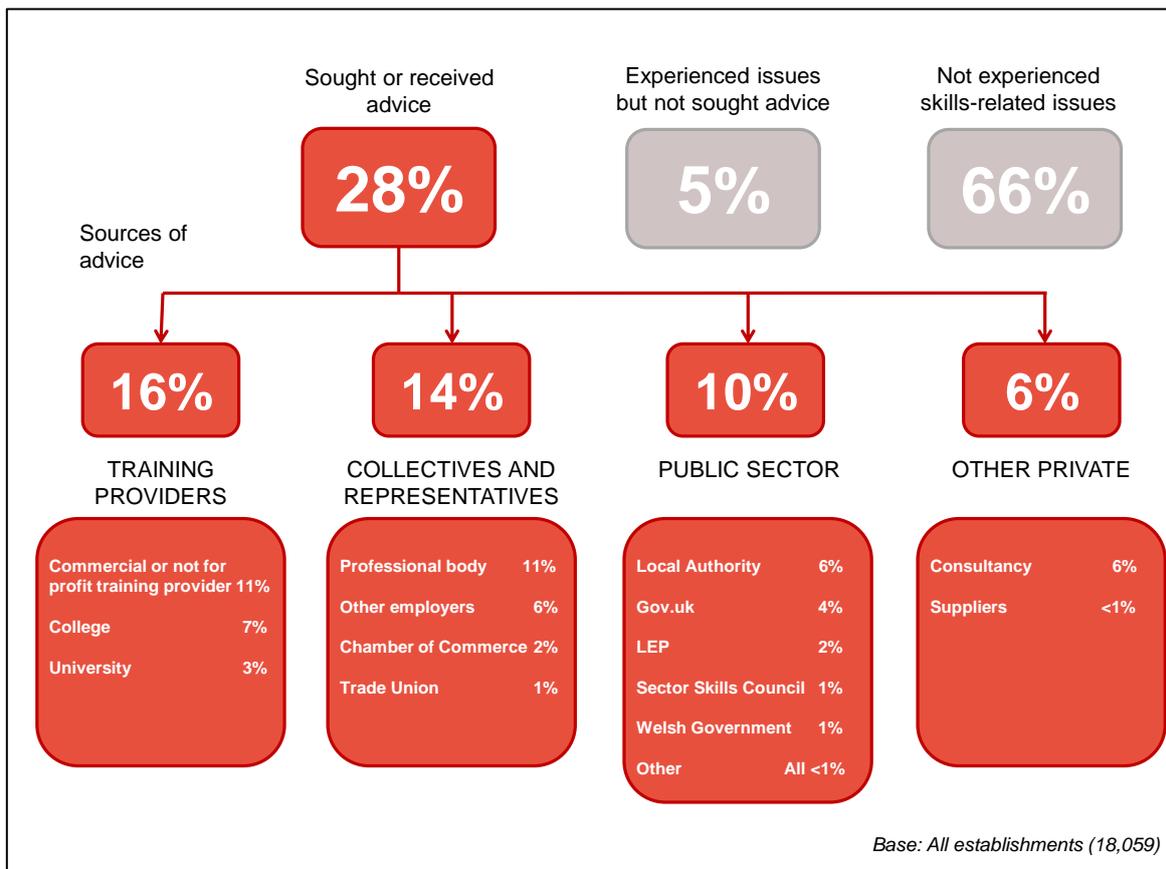
Alongside the provision of training, a key feature of the skills system in the UK is the network of organisations which provide support, information and advice to employers on training-related issues. This section of the report explores employers' awareness and use of providers and schemes meant to aid employers in this regard. As well as addressing these elements, the section covers employers' levels of satisfaction with the advice they received and the reasons why other establishments elect not to seek help externally.

4.7.1 External help sought in the last 12 months

Over a quarter of all establishments (28 per cent) had sought external information, advice or other practical help on skills and training-related issues in the last 12 months.

The sources of this advice can be condensed into four broad categories: training providers (i.e. FE colleges, universities and other training providers), ‘collectives and representatives’ (e.g. professional bodies, other employers and trade unions), public sector organisations (e.g. Local Authorities and country-specific organisations such as the Welsh Government) and other private sector bodies (predominantly consultants). Of these, employers tended to use training providers (both commercial and public) and collectives and representatives (16 and 14 per cent of all establishments) with public sector organisations and other private business sources being less popular (10 and six per cent respectively), as Figure 4.8 illustrates. The prominence of collectives and representatives – professional bodies, other employers, the Chamber of Commerce and Trade Unions – is particularly notable, and links to themes of collaboration and ownership which are explored in more detail later in the chapter.

Figure 4.8 Proportion of employers who have sought external help on skills and training-related issues and most common sources of advice across all employers



Employers in Wales were generally more likely to have sought help on skills and training-related issues (34 per cent compared with 28 per cent average); they were particularly likely to have sought help from public sector organisations (20 per cent compared with 10 per cent average) and most notably from the Welsh Government (13 per cent).

Seeking advice from external organisations was also more common among large employers with 100 or more staff (49 per cent compared with 22 per cent of establishments with fewer than five employees). This may seem contradictory as one might expect smaller establishments to have less internal capacity to resolve their skills and training-related issues and therefore require more help, but it perhaps reflects the professionalisation of the HR function in larger organisations.

Employers in the Non-Market Services sector were also more likely to seek external advice (46 per cent, rising to 51 per cent of employers in the Education sub-sector). Employers in the Trade, Accommodation and Transport sector were less likely to seek advice (20 per cent), and this was particularly apparent among employers in the Wholesale and Retail sub-sector (18 per cent). Table A.4.6 in Appendix A contains a detailed breakdown by country, size and sector of the proportions of employers that had sought external help on their skills and training-related issues.

Since 2012, the proportion of employers seeking advice externally had dropped by a small but significant proportion (from 31 per cent in 2012 to 28 per cent in 2014). The decrease in seeking advice was exclusively driven by employers in England, which saw a drop from 31 to 27 per cent. Conversely there was an increase seen among employers in Wales (from 31 to 34 per cent), while proportions in Northern Ireland and Scotland remained relatively constant.

Across specific sources of advice, the largest change was among those employers citing the use of FE Colleges to seek advice; this had dropped from 11 to seven per cent. Table A.4.7 in Appendix A presents the proportions of employers which had used each source of advice by country and year.

4.7.2 Satisfaction with the advice received on skills and training-related issues

The majority of employers who had sought external advice (87 per cent) were satisfied with this advice, with nearly half very satisfied (48 per cent). Only five per cent of employers were dissatisfied. There was some variation by nation, size and sector but this tended to be minimal:

- Employers in Scotland (91 per cent) and those in the Primary and Utilities sector (94 per cent) were most likely to be satisfied with the advice they received;
- Small employers with fewer than five employees were slightly more likely to be dissatisfied (seven per cent compared with five per cent average).

Employers who had only arranged internal training (nine per cent) and establishments who had not arranged any training for their staff in the last 12 months (seven per cent) were more likely to be dissatisfied with the advice received than the UK average (five per cent).

Examining the reasons behind these (low levels of) dissatisfaction, a quarter of dissatisfied employers (23 per cent) reported that they did not receive the information they were hoping for. Further reasons that employers gave for their dissatisfaction included:

- The training they received was unsatisfactory (17 per cent);
- The advice they received was irrelevant to their situation (14 per cent);
- The advice they received was unhelpful or not clear (11 per cent); and
- The external organisation was uncommunicative (10 per cent).

Irrelevant advice caused particular dissatisfaction to small establishments with fewer than five employees and those in the Business and Other Services sector (18 and 21 per cent respectively compared with 14 per cent average).

4.7.3 Facing issues without seeking advice

There is some evidence of latent demand for advice on skills and training-related issues: five per cent of all establishments reported that they had experienced skills or training-related issues in the last 12 months for which they did not seek help or advice externally (this equates to 14 per cent of all employers with skills or training-related issues).

While there were no differences at a country level, by size band and sector some sub-groups did stand out. Establishments with fewer than five employees that had skills or training-related issues were far less likely to have sought advice (17 per cent compared with seven per cent of establishments with 100 or more staff). By broad sector, there also appeared to be a greater level of latent demand among employers in the Manufacturing sector (18 per cent).

Employers who did not seek help to resolve their skills or training-related issues were asked why they did not do so. Their reasons fell into three broad categories, the most common being that the employer was able to resolve the issue internally (73 per cent). Over half (54 per cent) reported issues of supply, such as not knowing where to go to find help (34 per cent), thinking the issue to be too specific (29 per cent), or not trusting any external organisation to deal with these issues (16 per cent). One in eight employers (12 per cent) reported that issues of capacity prevented them from seeking help (eight per cent reported financial limitations and four per cent a lack of time or resource).

4.8 Employer collaboration

Moving on from focussing solely on the supplier-contractor relationships between employers and organisations that disseminate advice on skills and training-related issues, this section explores the extent of employers' ownership of training provision in the UK in terms of financing and co-design. In particular, it assesses employer engagement with training providers and the extent to which employers had collaborated with other employers in their training and skills development practices (and their reasons for doing so)²⁹. These findings are based on a new set of questions designed for EPS 2014.

4.8.1 Employer contact with training providers

Outside of contracting for the provision of training services, there are a number of other ways in which employers can interact with training providers; these other types of contact take employers beyond a simple supplier-contractor relationship with their training provider, and towards a greater ownership of training provision in terms of co-design.

The survey explored the extent of any such relationships both among employers who had provided any external training, and among employers who had not provided training but had been in contact. It looked at different levels of engagement, specifically, whether in the last 12 months employers had:

- Pro-actively contacted an external training provider to **obtain information** on qualifications, training courses and opportunities;
- Held regular or ongoing discussions over the progress of staff receiving training; and/or
- Discussed or been involved in the **design** of new qualifications and training opportunities.

²⁹ Employer ownership entailing collaboration with training providers and other employers is laid out in this document: Employer Ownership of Skills: Securing a sustainable partnership for the long term (UKCES, 2011)

Among employers who had provided external training in the last 12 months, approaching three-fifths reported that they had contacted an external training provider to enquire about qualifications, training courses and opportunities (57 per cent). As many as two in five employers who had provided external training (39 per cent) had had ongoing discussions about their staff's progress on training and one in seven (15 per cent) had been involved in the design of training.

Employers in Wales were particularly likely to have sought information about training (61 per cent), as were large establishments with 100 or more employees (73 per cent) and those in the Construction sector (70 per cent). Seeking information about training was less frequent among establishments in the Trade, Accommodation and Transport sector (41 per cent; 38 per cent among those in the Wholesale and Retail sub-sector).

Just under two-fifths of employers who offered external training (39 per cent) had discussed the progress of their staff receiving training on a regular basis with their provider. Employers in Wales (45 per cent), large organisations with 100 plus staff (57 per cent), and employers in the Non-Market Services sector (48 per cent) were all much more likely to fall into this category. In contrast, employers in Scotland (36 per cent), small employers with fewer than five employees (30 per cent) and employers in the Primary and Utilities sector (29 per cent) were less likely to discuss the progress of their staff receiving training on a regular basis.

A minority of employers that provided external training had discussed or been involved in the design of new qualifications and training opportunities (15 per cent, rising to 18 per cent among employers in both Northern Ireland and Wales). Large establishments with 100 or more staff (34 per cent) and employers in the Non-Market Services sector (22 per cent) were typically more likely to get involved in this way. Conversely, small establishments and employers in the Construction sector were least likely to engage a training provider on the design of qualifications and training opportunities (12 and 10 per cent respectively).

There was also some evidence to suggest that a small proportion of employers who did not provide external training for their staff had nevertheless engaged with a training provider: two per cent had enquired about training opportunities, while the same proportion had discussed or been involved in the design of new qualifications. It may have been that such discussions or negotiations were still occurring at the time of interview, but it could also reflect that the outcomes were unsatisfactory from the employer perspective and that the training did not therefore ensue.

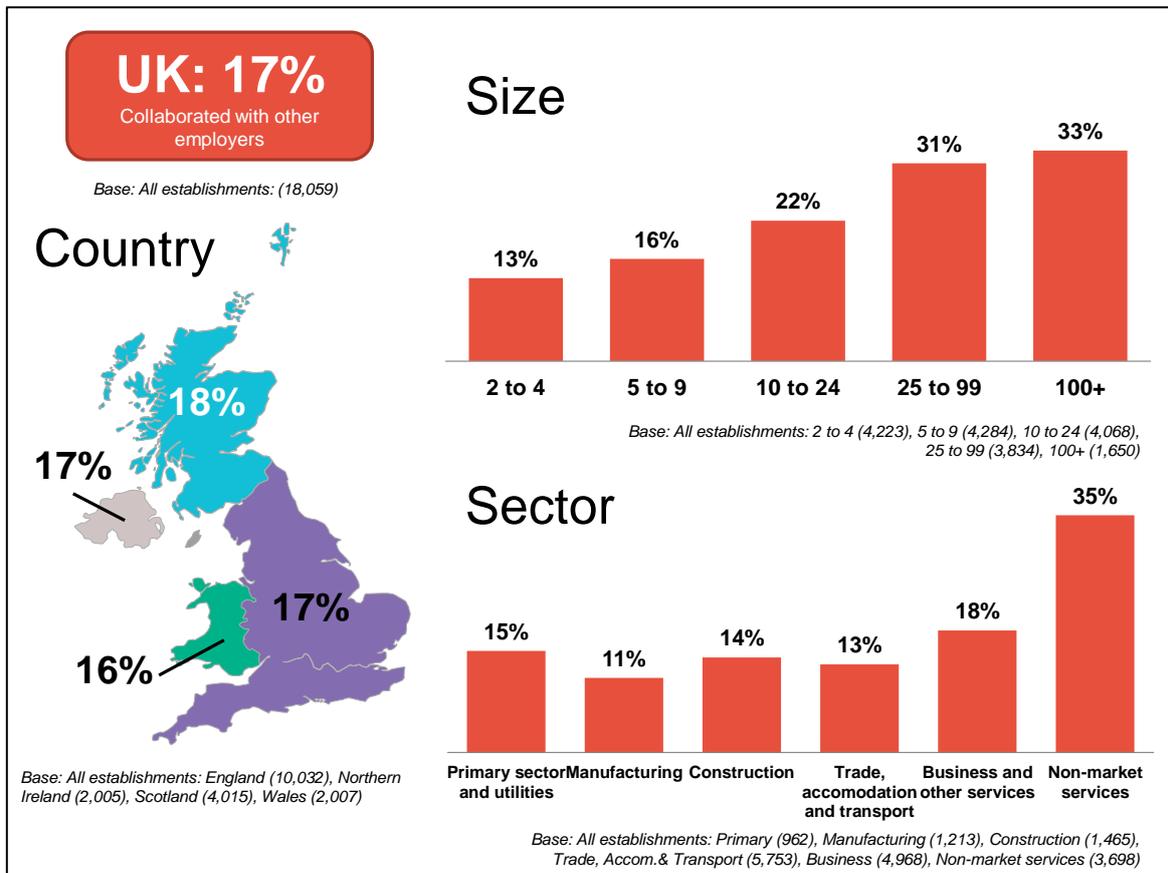
Table A.4.8 in Appendix A presents employers' engagement with external training providers by nation, size and sector.

4.8.2 Collaboration with other employers and the nature of these relationships

In a new step for the EPS series the study asked employers whether they had worked with other employers in relation to their skills and training practices. Around one-sixth of all employers (17 per cent) had worked with other employers in the last 12 months to access, develop or share expertise on skills and training. Specifically, 13 per cent had worked with another employer to access, share or provide training, while the same proportion (13 per cent) had worked with another employer to develop skills or expertise in other ways (nine per cent reported they had done both).

As Figure 4.9 shows, large establishments with 100 or more employees and those in the Non-Market Services sector were more likely to have collaborated with other employers in this way (33 and 35 per cent respectively). At a detailed sector level, approaching half of employers in the Education sub-sector (45 per cent) had collaborated with other employers.

Figure 4.9 Proportion of all employers who have worked with other employers on their training and skills development practices in the last 12 months



The nature of these working relationships was equally likely to be informal or ad hoc (55 per cent), or based on a formal network of employers (51 per cent). Just over one in 10 employers (11 per cent) had both formal and informal arrangements set up with other employers.

As might be expected, informal arrangements were more common among smaller establishments (60 per cent of employers with fewer than five employees compared with 55 per cent average), while formal arrangements were more common among larger establishments (66 per cent of employers with 100 or more employees compared with 51 per cent average).

There were also notable differences by sector:

- Employers in the Non-Market Services sector (59 per cent) and the Trade, Accommodation and Transport sector (54 per cent) were more likely to have formal networks of employers in place than the average (51 per cent);

- Conversely, employers in the Primary and Utilities sector (67 per cent), Construction (64 per cent) and Manufacturing sectors (63 per cent) tended to have more informal or ad hoc arrangements in place than the average (55 per cent);
- At a more detailed sector level, employers in the Education (67 per cent) and Financial Services sub-sectors (63 per cent) were the most likely to have formal arrangements.

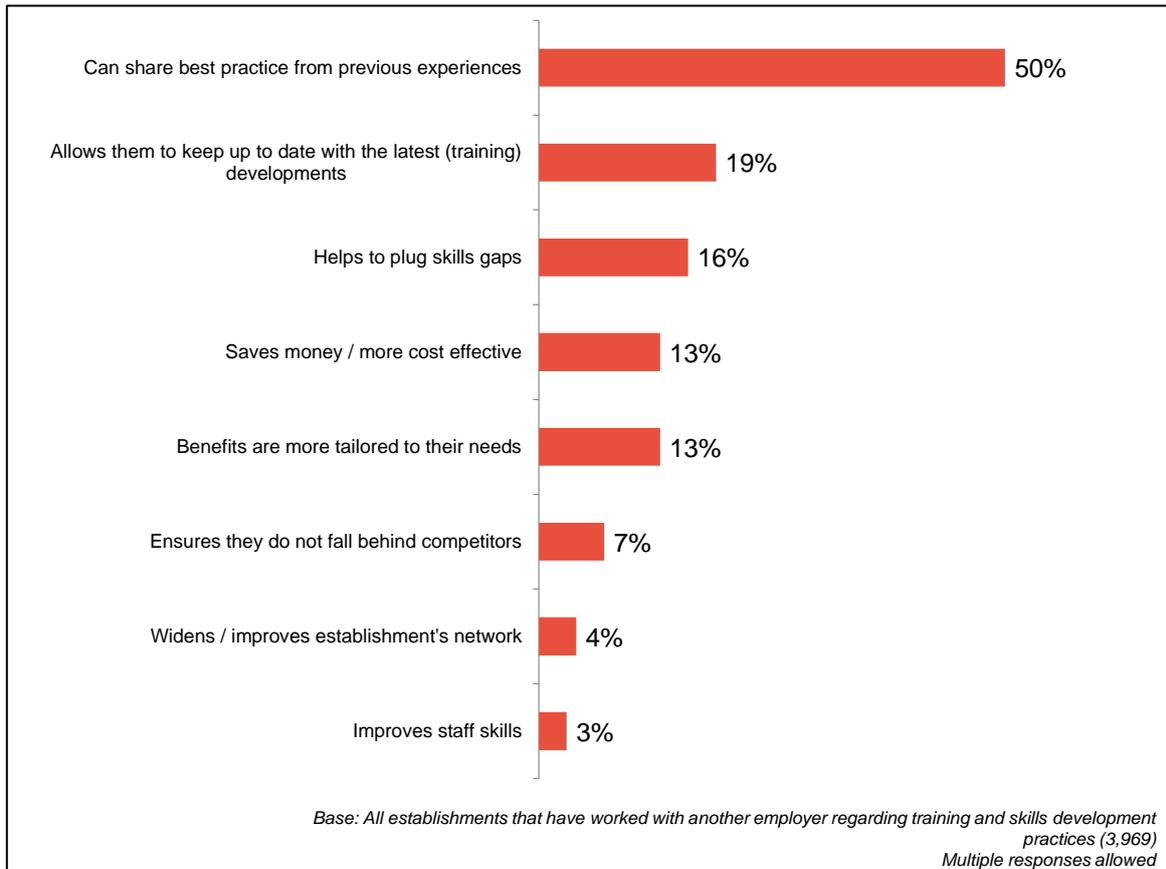
It is also worth noting that employers operating for three years or less were more likely to have informal arrangements in place (59 per cent compared with 55 per cent average).

4.8.3 Reasons behind employer collaboration

Establishments gave a wide range of reasons for deciding to work with other employers on their training and skills development practices, and reported gaining a range of benefits.

Employers predominantly selected others to work with on the basis of the shared nature of their work: over one-fifth reported that they chose employers to work with because they were in the same industry (21 per cent), while the same proportion also reported sharing common objectives. Familiarity with the employer was also a key factor in selecting employers to work with on training and skills: 19 per cent said they chose an employer as a result of working with them before, while 14 per cent were motivated by the reputation of their collaborative partner.

Within each country, size band and sector, the most frequently reported benefit of collaboration was that it was a means of sharing best practice from previous experiences (50 per cent of all establishments who had collaborated in the last 12 months). As Figure 4.10 shows, other benefits included remaining on top of the latest training developments (19 per cent), helping to plug skills gaps (16 per cent), saving money and receiving help that is more tailored towards the employers' needs (both 13 per cent).

Figure 4.10 Benefits of collaborating with other employers

There was large variation of benefits reported by employers, particularly regarding the financial benefits of collaboration. Large establishments with 100 or more employees were twice as likely as small establishments with fewer than five employees to find that working with other employers helped save money (20 per cent compared with 10 per cent). Meanwhile at a sector level, employers in the Primary and Utilities sector were more likely to cite the financial benefits of collaborating with other employers (21 per cent), while only nine per cent of employers in the Business and Other Services sector cited this benefit.

Perhaps surprisingly, there were only slight differences in reported benefits among those employers whose collaborations were formal and those that were informal. For those with informal collaborations, saving money was deemed a more beneficial element of collaboration than receiving benefits that were tailored to the needs of the organisation (15 and 11 per cent respectively), while among employers with formal collaborations, these proportions were reversed (13 and 15 per cent respectively). Table A.4.9 in Appendix A presents these benefits in more detail.

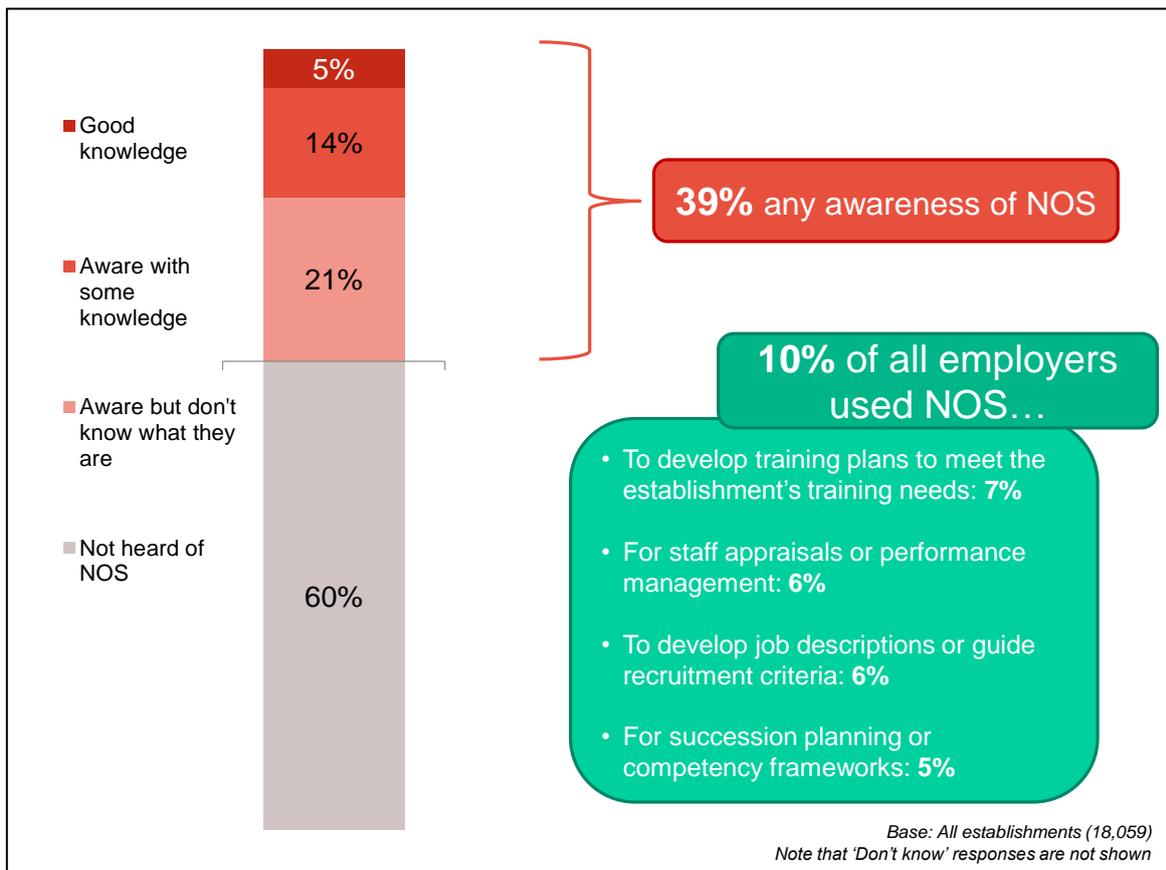
4.9 National Occupational Standards

National Occupational Standards (NOS) specify the standard of performance an individual must achieve when carrying out a function in the workplace, together with the knowledge and understanding they need to meet that standard consistently. They represent benchmarks of good practice in an occupation³⁰. NOS are developed by industry bodies and Sector Skills Councils in conjunction with employers.

Broadly speaking, there was some awareness of the standards, although the level of knowledge of what their purpose is was fairly limited. As Figure 4.11 shows, two-fifths of all employers (39 per cent) had heard of National Occupational Standards. However, only five per cent expressed a good knowledge of what they include, while a further 14 per cent reported that they had 'some' knowledge. This left 21 per cent of employers who reported awareness but little knowledge as to their purpose.

Most commonly, employers used the standards to develop training plans to meet the establishment's training needs (seven per cent).

³⁰ See page 43 in Richard, D. (2012) *Richard Review of Apprenticeships*, School for Startups, London

Figure 4.11 Awareness and use of National Occupational Standards (NOS)

Awareness of the standards was slightly higher in Northern Ireland than in other countries, at 42 per cent. By size band and sector, employers with 100 or more staff and those in the Non-Market Services sector were also more likely to be aware of the standards (52 and 54 per cent respectively). See Table A.4.10 in Appendix A for a breakdown by nation, size and sector. Similar patterns by subgroup existed with regards to the use of the standards.

One in 10 of all employers had used the standards in some way (10 per cent), rising to 45 per cent among those with awareness and some knowledge of the standards and 73 per cent among those with a good knowledge of the standards.

By country the profile of employers who used NOS was fairly similar to the overall UK population. By size and sector however, there were some differences:

- The largest establishments were more likely to use NOS (19 per cent) compared to employers with fewer than five staff (seven per cent);

- By sector, employers using NOS were far more likely to belong to the Non-Market Services sector (25 per cent), than Manufacturing (five per cent) and Trade, accommodation and transport (six per cent). At a more detailed sector level, employers in Public administration were more likely to use NOS (29 per cent) than Manufacturing and Transport, storage and communications establishments (five per cent respectively);
- A greater proportion of public sector (22 per cent) and third sector (18 per cent) employers used the Standard, compared with the private sector (eight per cent).

Typically employers that used the standards were also more engaged in the skills system: a fifth of establishments that had arranged or funded vocational qualifications for their staff had used NOS (19 per cent) compared with the UK establishment average (10 per cent). Employers actively collaborating with other establishments on their training and skills development practices were also more likely to make use of NOS (36 per cent) compared with the economy average (10 per cent).

See Table A.4.11 in Appendix A for a profile of employers that used the standards by nation, size and sector.

There was little difference in both awareness and use of the standards since 2012, although awareness among Northern Ireland employers had increased since 2012, from 37 to 42 per cent).

4.10 Investors in People

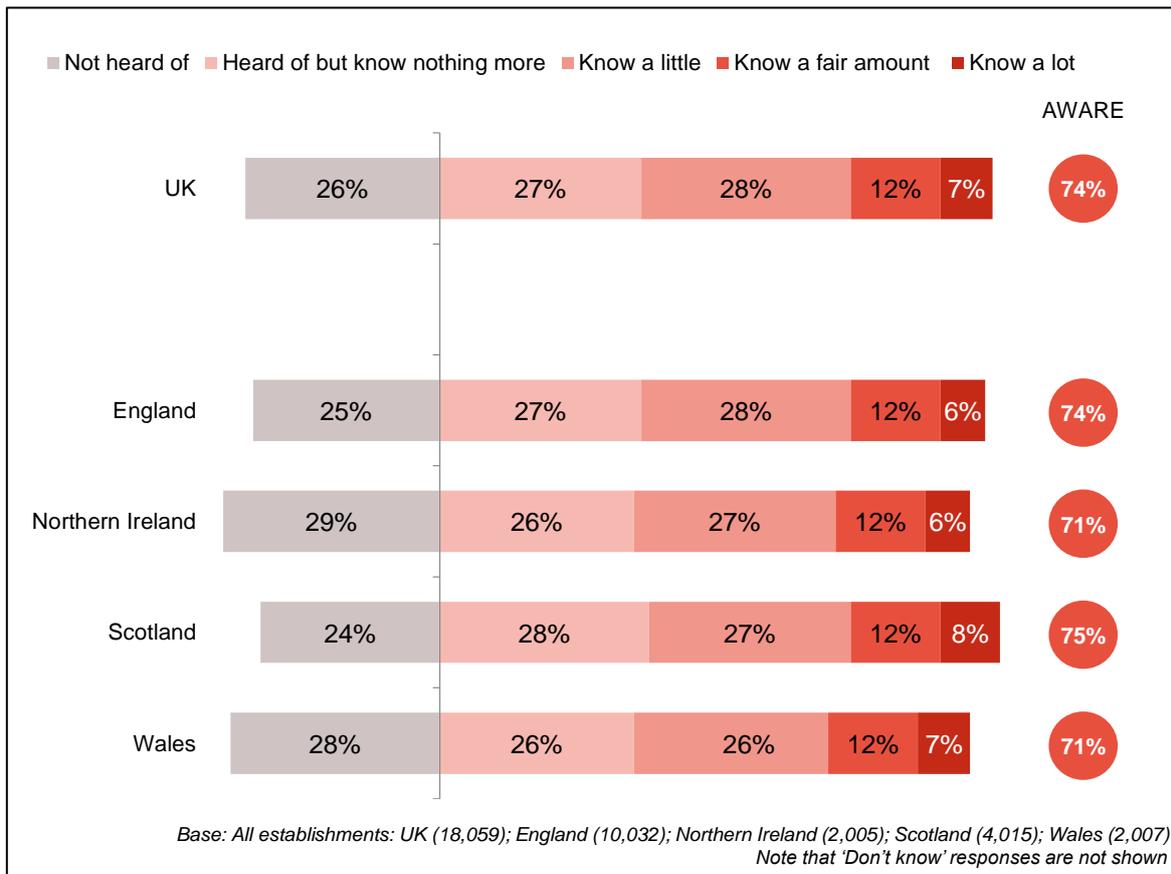
Investors in People (IiP) is a business improvement tool overseen by the UK Commission aimed at improving leadership, management and skills utilisation among organisations which use it. Employers work with IiP in order to align staff skills and business needs.

While the UK Commission had undertaken a number of research projects relating to IiP, EPS 2014 allows us to gain valuable information which is used to evaluate the effectiveness of Investors in People as a policy tool. Measures include awareness and knowledge of the Standard and the extent of IiP accreditation among UK employers.

4.10.1 Awareness of liP

Investors in People has a high level of awareness among establishments, with around three-quarters (74 per cent) having heard of the standard. Figure 4.12 shows that awareness was slightly lower in both Northern Ireland and Wales (both 71 per cent). At an overall level, seven per cent of all establishments knew “a lot about” the standard, while a further 12 per cent knew “a fair amount”.

Figure 4.12 Awareness of Investors in People (liP) by country



Awareness was substantially higher among large establishments with 100 employees or more (93 per cent compared with 70 per cent of those with fewer than five employees). Awareness was also highest in the public sector (91 per cent), followed by the third sector (84 per cent) and lowest in the private sector (72 per cent).

Correspondingly by sector, employers in the Non-Market Services sector reported the highest levels of awareness (86 per cent, rising to 94 per cent among employers in the Public Administration sub-sector), followed closely by those in the Business and Other Services sector (80 per cent). High levels of awareness among employers in the Non-Market Services sector was not solely driven by their greater propensity to work in the public sector: 81 per cent of Non-Market Services establishments operating in the private sphere still reported awareness of liP. The lowest levels of awareness were found among employers in the Primary and Utilities sector (61 per cent).

At an overall level, awareness levels had not changed since 2012. Within subgroup there were some slight but significant differences since 2012, most noticeably by sector where levels of awareness has increased among employers in the Construction sector (from 70 per cent in 2012 to 74 per cent in 2014), and decreased among employers in the Non-Market Services sector (down from 92 to 86 per cent). See Table A.4.12 in Appendix A for a breakdown of overall awareness by country, size and sector across 2012 and 2014.

4.10.2 Accreditation with liP

One in seven of all employers were accredited with liP (14 per cent). A further one per cent were working towards accreditation, while four per cent of employers not previously involved with liP were considering accreditation. Half of all employers (51 per cent), despite being aware of liP, had no intention of seeking accreditation, while remaining employers were either unaware of liP (26 per cent) or had been accredited in the past (three per cent).

It is particularly notable that employers in Wales were more likely to be accredited with liP (17 per cent), given their lower levels of awareness compared with the overall (71 per cent compared with 74 per cent). Employers in Northern Ireland were least likely to have accreditation (13 per cent).

Following similar patterns in the awareness of the standard, a relatively high proportion of large establishments with 100 or more employees (40 per cent) were accredited with liP, while accreditation with liP was much more common among employers in the public sector (41 per cent) than among those in the third sector (24 per cent) and private sector (12 per cent). Employers in the Non-Market Services sector were most likely to hold accreditation (29 per cent, rising to 47 per cent of employers in the Public Administration sub-sector). Even among employers in the Non-Market Services sector working in the private sector, accreditation levels were still high (23 per cent). It is also worth noting that a third of employers in the Financial Services sub-sector (34 per cent) were accredited with liP. Linked to lower levels of awareness, employers in the Primary and Utilities sector were least likely to be accredited (five per cent).

Since 2012, there has been a slight, but significant, reduction in the proportion of employers accredited with liP (from 16 to 14 per cent). This trend is particularly apparent among establishments with 100 or more staff (46 to 40 per cent), and those with 25-99 staff (37 to 31 per cent). Accreditation among Primary sector and Utilities employers also reported the greatest decline by sector, from eight per cent in 2012 to five per cent in 2014. See Table A.4.12 in Appendix A for a breakdown of accreditation with liP by country, size and sector across 2012 and 2014.

5 Employer perspectives on Apprenticeships

Chapter Summary

- Sixteen per cent of all employers in the UK offered apprenticeships. In the vast majority of cases (15 per cent of all employers), these were formal Apprenticeships, following a framework and designed to lead to a nationally recognised qualification. Employers in England, large establishments and those in Non-Market Services sectors, Manufacturing and Construction were more likely to offer formal Apprenticeships. The proportion of employers offering formal Apprenticeships has increased since 2012 (from 13 per cent to 15 per cent).
- Half of establishments offering formal Apprenticeships offered them only to new recruits (50 per cent), just over four in 10 offered them to both new and existing staff (41 per cent), and eight per cent offered them only to existing staff. This showed little change from 2012.
- Twelve per cent of employers offered short duration Apprenticeships lasting less than 12 months. Short duration Apprenticeships were most common among employers in the Trade, Accommodation and Transport, and Non-Market Services sectors.
- The majority of employers offering Apprenticeships (96 per cent) provided formal training either in the form of training delivered by a training provider, or formal training sessions delivered by the employer in-house.
- Apprentices typically spend an average of seven hours per week on activities that are not part of their job role (such as training, studying, or meeting with their supervisor) though there are considerable variations among employers.
- There remains significant desire among employers not currently engaged in Apprenticeships to offer them in the future (24 per cent) while the vast majority of those currently engaged in formal Apprenticeships (88 per cent) planned to continue offering them in the future. Overall, a third of all employers in the UK (34 per cent) plan to offer formal Apprenticeships in the future.
- Reasons for not currently offering Apprenticeships largely focussed on perceived structural reasons (including not being able to afford offering them), which could be overcome with greater dissemination of information, such as information on the availability of Government support with funding.

5.1 Introduction

Apprenticeships in England, Wales and Northern Ireland and Modern Apprenticeships in Scotland remains at the heart of current policy designed to raise skill levels, support employability and help tackle youth unemployment in the UK.

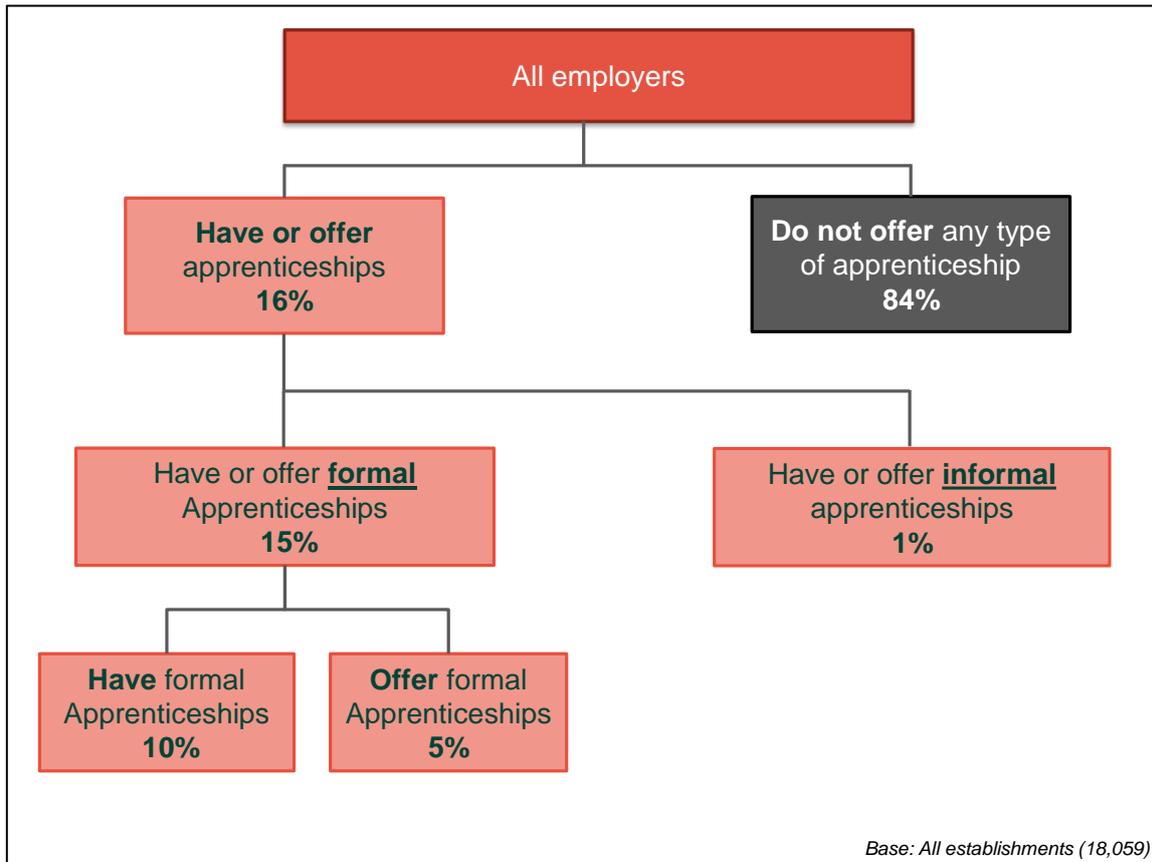
While other employer research on Apprenticeships tends to focus on those employers who have or have had an apprentice³¹, EPS 2014 contributes to understanding by exploring levels of engagement with and awareness of Apprenticeships within the general employer population. The survey provides an opportunity to better understand how Apprenticeships respond to the needs of different types of employers. It also provides insight into the quality of the Apprenticeships they offer in terms of the length of a typical Apprenticeship programme and the number of hours per week typically spent by Apprentices on training-related activities. The survey further explores any perceived barriers to employers offering Apprenticeships in the future. Understanding these barriers can be used to help inform future marketing strategies aimed at increasing employer demand for Apprenticeships.

5.2 Apprenticeships: an overview

Sixteen per cent of all employers in the UK offered apprenticeships. In the vast majority of cases (15 per cent of all employers), these were formal **A**pprenticeships (following a framework and designed to lead to a nationally recognised qualification); one per cent of employers offered **a**pprenticeships on a less formal basis (see Figure 5.1). A number of employers who offered Apprenticeships did not have an Apprentice in place at the time of interview: overall 10 per cent of all employers did *currently* have an Apprentice and a further five per cent offered Apprenticeships but did not have anyone in place.

³¹ Such as the Apprenticeships Evaluation: Employer Survey 2013 for the Department for Business, Innovation and Skills, 2013

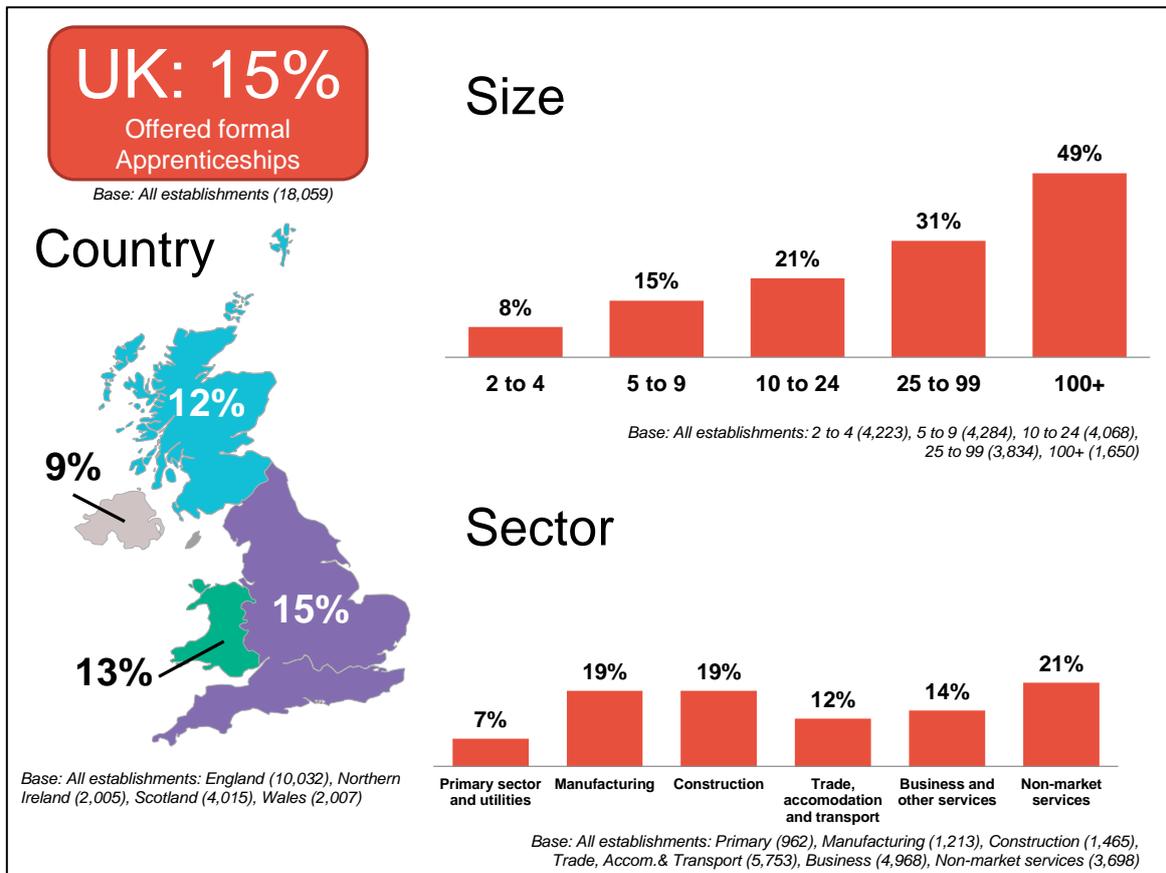
Figure 5.1 Summary of employers' engagement with apprenticeships



5.2.1 Formal Apprenticeships

As shown in Figure 5.2, engagement with Apprenticeships varied considerably by geography as well as by size and sector. The proportion of employers who offer formal Apprenticeships was greatest in England (15 per cent) and lowest in Northern Ireland (nine per cent) while employers with 10 or more employees (27 per cent) and those in Non-Market Services (21 per cent), Manufacturing and Construction sectors (both 19 per cent) were more likely to offer formal Apprenticeships compared with the UK average (15 per cent).

Figure 5.2 Proportion of employers who offer formal Apprenticeships (by country, size and sector)



At 15 per cent, the proportion of employers offering formal Apprenticeships has increased by two percentage points from 2012. There has been a small but significant increase in the offering of formal Apprenticeships among employers in England (from 14 per cent in 2012 to 15 per cent in 2014), whereas the proportions of employers offering Apprenticeships in Northern Ireland, Scotland and Wales have largely remained unchanged.

By sector the only significant increase from 2012 has occurred in the Business and Other Services sector (from 12 per cent in 2012 to 14 per cent in 2014). The increase in Business and Other services provides evidence that there has been progress in encouraging involvement with Apprenticeships among employers in sectors which do not have such an established history of delivering Apprenticeships.

In terms of size, there has been strong growth in Apprenticeship provision among employers with 25 or more employees (from 31 per cent to 35 per cent) but also among the pocket of employers with 5-9 employees (from 13 per cent to 15 per cent). It is worth remembering that, given the number of establishments in the different sizebands, the overall growth in employer uptake of formal Apprenticeships has largely been driven by employers in this 5-9 employee sizeband. Within this particular sizeband, the growth in the uptake of formal Apprenticeships has been predominantly driven by the Manufacturing sector (from 16 per cent in 2012 to 23 per cent in 2014) and, interestingly, given that it is a sector not traditionally associated with Apprenticeships, the Business and Other Services sector (from 12 per cent in 2012 to 16 per cent in 2014; see Table A.5.1 in Appendix A).

For a full breakdown of Apprenticeship offerings by country, size and sector, as well as for further detail on changes over time, see Tables A.5.2a-b in Appendix A.

Whilst the overall increase in the proportion of employers offering formal Apprenticeships is encouraging, it should be noted that in 2012 almost a quarter (24 per cent) of all employers that were not offering formal Apprenticeships reported that they were planning to do so in the future³². Therefore, the scale of the increase in the adoption of formal Apprenticeships by employers is small relative to the self-reported demand there was for offering them in 2012. The barriers as to why employers have not taken up offering Apprenticeships are discussed later in this chapter, where we also look in more depth at future demand.

Further data on employer awareness of different types of Government-recognised Apprenticeship schemes and initiatives are detailed in Tables A.5.3 to A.5.5 in Appendix A.

³² Note that no timescale was attached to the 'future demand' question asked in 2012. Employers were asked "does your organisation plan to offer Apprenticeships in the future?"

5.2.2 Informal apprenticeships

Compared with 2012, the proportion of establishments offering apprenticeships that did not follow a formal Apprenticeship framework leading to a nationally recognised qualification has decreased from 11 per cent (two per cent of all UK establishments) in 2012 to nine per cent (one per cent of all UK establishments) in 2014³³.

5.3 Who Apprenticeships are offered to

Much of the policy emphasis on Apprenticeships is driven by the objective of helping more young people into employment, but Apprenticeships are also available to older people and those already in work. Employers who participated in the research were asked about the ages of the Apprentices they have taken on and whether their Apprenticeship programmes are offered to new recruits or to existing employees.

5.3.1 Age of Apprentices

Among those employers involved in formal Apprenticeships:

- 74 per cent offered them to people aged 16 to 18 years old (19 per cent *only* offered to this age group);
- 75 per cent offered them to people aged 19 to 24 years old (10 per cent *only* offered to this age group);
- Only 44 per cent offered them to those aged 25 years or older (two per cent *only* offered to this age group).

Therefore, overall, at least 94 per cent of employers involved in formal Apprenticeships offered them to 'young people' (those aged below 25 years), though four per cent of employers did not know the age groups they offer Apprenticeships to and thus the 94 per cent offering Apprenticeships to young people *could* be higher.

The offering of Apprenticeships to young people was fairly uniform across country, size and sector (although employers in the Primary and Utilities sector were least likely to offer Apprenticeships to young people: 87 per cent compared with 94 per cent across all employers offering Apprenticeships).

³³ It should be noted that those employers who did not know whether their Apprenticeships programme(s) follow a formal framework and lead to a nationally recognised qualification have been considered to be offering informal apprenticeships (in both 2012 and 2014 three per cent of employers offering any form of apprenticeship did not know whether they were formal Apprenticeships).

A smaller group of employers offered Apprenticeships to people aged 25 years or older, who were more likely to be:

- Larger establishments with 25 or more employees (52 per cent) compared with smaller establishments with fewer than 25 employees (41 per cent);
- Within the Hotels and Restaurants (71 per cent), Financial Services (64 per cent) and Health and Social Work sub-sectors (63 per cent); and
- In the Non-Market Services sector (57 per cent compared with 44 per cent across all employers offering Apprenticeships). Within the Non-Market Services sector, the employers offering Apprenticeships to those aged 25 years or more were more likely to be operating in the private sector than in the public sector (66 per cent compared with 40 per cent, respectively).

The ages of Apprentices offered formal Apprenticeships has largely remained unchanged since 2012, at overall level and by country, size and sector, although there has been a decrease in the proportion of employers offering Apprenticeships to people aged 25 years or older (from 47 per cent in 2012 to 44 per cent in 2014; see Table A.5.6 in Appendix A for a full breakdown).

5.3.2 Apprenticeships for new recruits and/or existing employees

Establishments offering formal Apprenticeships were asked whether these were offered to existing employees, whether they recruited people specifically as Apprentices, or whether they did both. This question provides some insight into whether employers view formal Apprenticeships within the context of a broader recruitment strategy or as a means of providing training to existing staff. This is of particular interest given that both the Richard Review of Apprenticeships in 2012 (Richard, 2012) and the Review of Apprenticeships in Northern Ireland in 2014 (DELNI, 2014) called for Apprenticeships to be targeted at new employees or, in the case of existing employees, a new job role that requires significant and sustained training.

Half of all establishments involved in formal Apprenticeships (50 per cent) *only* offered them to people recruited specifically as Apprentices whereas eight per cent of employers *only* offered Apprenticeships to existing employees. Around two-fifths of employers involved in Apprenticeships (41 per cent) offered them to a combination of *both* new recruits and existing employees. Thus, combined, 91 per cent of employers involved in Apprenticeships offered them to new recruits with significantly fewer establishments offering them to existing employees (49 per cent).

These figures relate to the **proportion of employers** surveyed that used each method for recruiting their Apprentices, not the **proportion of Apprentices** recruited in each way. It was reported in the 2013 BIS Apprenticeships Evaluation survey among learners (Higton *et al.*, 2013) that over two-thirds (68 per cent) were existing employees when they started their Apprenticeship, while only around a third (32 per cent) were recruited specifically as Apprentices. The fact that EPS 2014 shows that most employers' Apprentices were new recruits to their organisation, while the BIS evaluation indicated that most Apprentices were existing employees is not as contradictory as it may first appear. In EPS large employers, who account for a relatively small proportion of all employers interviewed but account for such a large volume of Apprentices, were more likely to provide Apprenticeships for their existing employees. In contrast, the BIS Apprenticeships Evaluation survey is more likely to interview Apprentices from large employers, since these form the majority of all Apprentices.

It should also be noted that among the employers who offered Apprenticeships to their existing employees, some of these could have been new recruits who were taken on with the intention of starting an Apprenticeship, but for whom there had been difficulties or delays in finding suitable Apprenticeship providers. Thus, by the time they started their Apprenticeship they were considered to be an existing employee. Furthermore, some of these could have been new recruits who were deliberately recruited on a trial basis, pending entry to an Apprenticeship, thus, again, by the time they started their Apprenticeships were considered to be an existing employee.

Offering Apprenticeships **only** to existing employees was most common among: employers in Wales (12 per cent compared with eight per cent across all employers offering Apprenticeships); larger establishments with 25 or more employees (10 per cent compared with seven per cent among establishments with fewer than 25 employees); and employers in the Trade, Accommodation and Transport sector (13 per cent compared with eight per cent across all employers offering Apprenticeships).

Overall, the picture of whether employers offer formal Apprenticeships to new or existing employees is very similar to 2012. However, there were some differences by country, size and sector since 2012. In particular:

- There has been a decrease in the proportion of employers in England who only offered Apprenticeships to existing employees (from nine per cent in 2012 to seven per cent in 2014);

- The offering of Apprenticeships exclusively to existing employees was still most prevalent in the Trade, Accommodation and Transport sector compared to most other sectors (13 per cent compared with eight per cent across all employers); and
- The proportion of employers in the Primary and Utilities sector also stands at 13 per cent which represents a significant increase from four per cent in 2012.

A full breakdown by country, size and sector, with comparisons to EPS 2012, is provided in Table A.5.7 in Appendix A.

5.4 Apprenticeship quality

Following the targeted expansion in numbers of Apprenticeships over recent years³⁴, there has been a continued drive among UK nations towards improving the quality and delivery of Apprenticeships with new measures introduced to ensure that Apprenticeship frameworks meet appropriate quality standards³⁵. These new expectations include the requirement for all Apprenticeships to last a minimum of 12 months and a requirement for off-the-job training. The issue of the length of Apprenticeships is an important consideration since longer Apprenticeships reduce the costs incurred by the employer³⁶ and allow sufficient time for Apprentices to become fully competent and confident in their roles.

To explore some specific Apprenticeships quality related issues, in EPS 2014 employers were asked about the typical length of their Apprenticeships programmes, the provision of training and the average number of hours each week spent on training-related activities.

³⁴ Gambin (2013) *Review of Apprenticeships Research Final Report: An Updated Review*. Warwick Institute for Employment Research. The National Apprenticeship Service and BIS

³⁵ For example, in England, the *Specification of Apprenticeship Standards for England (SASE)* was first published by the Department for Business, Innovation and Skills (BIS) in January 2011 and was updated in March 2013, setting out minimum requirements for a recognised English Apprenticeship framework (BIS, 2013c). Furthermore, on the back of the Richard Review of Apprenticeships, in October 2013 BIS published an implementation plan for new Apprenticeships standards to replace all existing frameworks by 2017/18.

³⁶ Steedman, H. (2008) Time to Look Again at Apprentice Pay? Getting Cost-sharing Right. SSSA Catalyst Issue 5, Wath-upon-Deane: Sector Skills Development Agency

5.4.1 Length of typical Apprenticeship

Following concerns over short duration training and as part of a wider drive to improve the quality of Apprenticeships, one of the key Apprenticeship reforms stipulates that all Apprenticeships in England and Wales must last at least 12 months. In Northern Ireland, one of the policy commitments from the Review of Apprenticeships in Northern Ireland 2014 was for Apprenticeships to last at least two years and the durations of Modern Apprenticeship frameworks in Scotland are subject to approval of, among other elements, a minimum duration which allows an Apprentice to gain competency in the workplace.

As detailed in Table 5.1, among those employers offering formal Apprenticeships, two per cent reported that their Apprenticeship programmes typically lasted less than six months and a further 10 per cent reported that they lasted at least six months but less than 12 months. Thus, 12 per cent of all employers involved in formal Apprenticeships offered formal Apprenticeships that lasted less than 12 months.

Table 5.1 Length of a typical formal Apprenticeship by country

	UK	England	Northern Ireland	Scotland	Wales
Length of time	%	%	%	%	%
<i>Base (unweighted)</i>	3,685	2,352	255	715	363
Less than 12 months	12	12	10	11	12
<i>Less than six months</i>	2	2	3	1	2
<i>At least six months but less than 12</i>	10	10	8	10	10
At least 12 months but less than 18	30	32	12	17	21
At least 18 months but less than 24	9	10	6	9	8
At least 2 years but less than 3	21	21	20	14	21
3 years or more	23	20	46	47	32
Don't know	5	5	5	2	6

Base: All establishments offering formal Apprenticeships

Given the concerns over the quality of short duration Apprenticeships, it is interesting to explore the characteristics of employers offering Apprenticeships lasting less than 12 months.

Employers in the smallest sizeband (2-4 employees) were less likely to offer Apprenticeships of under 12 months' duration (seven per cent) compared to larger employers with five or more employees (14 per cent). In terms of sector, short duration Apprenticeships were more common in the Trade, Accommodation and Transport sector (16 per cent) and the Non-Market Services sector (15 per cent) compared to overall proportion of 12 per cent across all employers. It should be noted that within the Non-Market Services sector it was predominantly within the Health and Social Work sector where short duration Apprenticeships were most common (19 per cent) compared with the Public Administration and Education sectors (both 10 per cent). Conversely, employers in the Construction and Manufacturing sectors (two and five per cent, respectively) were less likely to offer short duration Apprenticeships compared with the UK average of 12 per cent. Indeed, it was the case that employers in the Manufacturing and Construction sectors (53 and 51 per cent, respectively) were more likely to offer long duration Apprenticeships lasting three years or more compared with the UK average of 23 per cent.

As detailed in Table 5.1, there were no significant differences by country in terms of whether Apprenticeships typically lasted less than 12 months. A full breakdown of the length of Apprenticeships offered by employers by size and sector is included in Table A.5.8a in Appendix A.

Finally, employers who actually had employees undertaking Apprenticeships at the time of interviewing were less likely to report that they offered short duration Apprenticeships compared to those who offered Apprenticeships but did not have anyone undertaking one (nine per cent compared with 18 per cent, respectively). It may be the case that those employers offering Apprenticeships but without one currently in place had a lower awareness of recent policy developments and so may have been referring to an 'old' Apprenticeship offering which had not been updated since the introduction of minimum duration standards. Table A.5.8b in Appendix A provides a breakdown of the length of Apprenticeships among employers with Apprentices in place at the time of interviewing, by country, size and sector.

Owing to differences in question wording, it is not possible to make strict time series comparisons between EPS 2012 and 2014³⁷.

³⁷ In EPS 2012 respondents were asked whether their Apprenticeship programmes typically lasted: six months or less; over six, up to and including 12 months; over 12, up to and including 18 months; over 18, up to and including 24 months; over two, up to and including three years; over three, up to and including five years; and more than five years. These timescale bandings were revised for 2014 to allow identification of the proportion of employers offering Apprenticeships which are *less than* 12 months and therefore provide an indication of compliance with SASE requirements regarding Apprenticeship length.

5.4.2 Provision of Apprenticeship training

As part of the drive for improving the quality of Apprenticeships it is a requirement for Apprenticeship frameworks to include training delivered through a combination of both on and off the job training methods and Intermediate level and Advanced level Apprenticeships frameworks have specified minimum levels of guided learning hours³⁸.

Amongst those employers offering formal Apprenticeships, the vast majority (96 per cent) reported that their Apprentices received formal training either in the form of training delivered by a training provider, or formal training sessions delivered by the employer in-house; three per cent did not provide either of these forms of training; and one per cent did not know whether they provide these types of training.

More specifically, 18 per cent of employers offering formal Apprenticeships reported that their Apprentices *only* receive training delivered by a training provider; eight per cent reported that their Apprentices *only* receive training delivered by the employer in-house; and 70 per cent reported that their Apprentices receive both types of training. Thus, combined, 88 per cent provided training sessions to their Apprentices which were delivered by a training provider and 78 per cent provided their Apprentices with training sessions delivered by the employer in-house.

There were few differences by country or size in terms of whether employers provide any training to their Apprentices or in terms of the specific types of training that employers provide to their Apprentices (either training delivered by a training provider or training delivered by the employer in-house). However, Apprentices at establishments with 10 or more employees were more likely to receive training delivered by a training provider (90 per cent) compared with those at establishments with fewer than 10 employees (86 per cent).

In terms of differences by sector, a greater proportion of employers in the Non-Market Services sector provided training for their Apprentices which is delivered by a training provider (92 per cent) compared with the 88 per cent across all employers offering formal Apprenticeships. Within the Non-Market Services sector this type of training for Apprentices was more prominent among those employers operating in the private sector (94 per cent) than among those in the public sector (87 per cent). Moreover, employers in the Non-Market Services and Trade, Accommodation and Transport sectors (both 82 per cent) were more likely to provide their Apprentices with formal training sessions delivered in-house than employers across all sectors (78 per cent).

³⁸ Department for Business, Innovation and Skills (2013a) *The Future of Apprenticeships in England: Implementation Plan*. Department for Business, Innovation and Skills, London.

Since 2012 there has been a statistically significant increase in the overall proportion of employers providing any training to their Apprentices (from 95 per cent in 2012 to 96 per cent in 2014). This increase appears to have largely been driven by an increase in the proportion of employers in the Construction sector (from 91 per cent in 2012 to 95 per cent in 2014) and those in the Trade, Accommodation and Transport sector (from 95 per cent in 2012 to 97 per cent in 2014) providing training to their Apprentices.

A full breakdown by country, size and sector is provided in Table A.5.9 in Appendix A.

5.4.3 Number of hours spent by Apprentice per week training, studying or meeting with supervisor

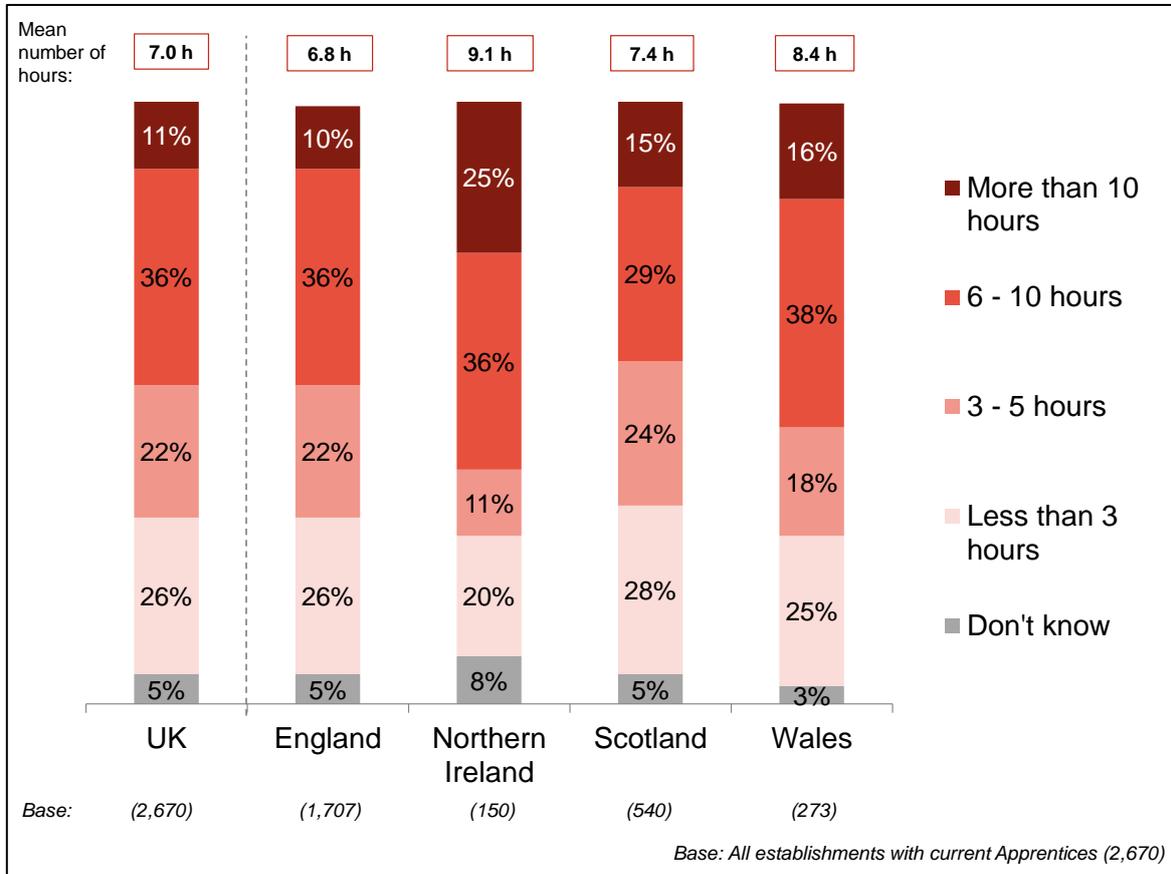
A new question asked in EPS 2014 relating to the quality of Apprenticeships concerned the average number of hours per week that an Apprentice typically spends during work hours on activities that are not part of their job role (such as training, studying or meeting with their supervisor).

Across all employers who currently have Apprentices, Figure 5.3 shows that the mean number of hours per week that an Apprentice typically spends on non-work related activities was 7.0 hours.

There were some differences in the number of hours reported by establishments across the UK nations. Specifically, Apprentices in Northern Ireland spend the greatest amount of time per week on training related activities (mean: 9.1 hours) with Apprentices in England spending the least amount of time (mean: 6.8 hours).

Whilst the mean number of hours suggests that the majority of Apprentices are spending around one day each week on training related activities, it should be noted there were some considerable variations among employers. Just over a quarter (26 per cent) of employers reported that their Apprentices typically spend less than three hours on training related activities.

Figure 5.3 Average number of hours a typical Apprentices spends per week on activities that are not part of their job role (such as training, studying or meeting with their supervisor), by country



Furthermore, whilst there were few differences by size of establishment, in terms of sector a significantly greater proportion of employers in the Trade, Accommodation and Transport sector and the Non-Market Services sector reported that their Apprentices typically spend less than three hours per week on training related activities (32 per cent and 31 per cent, respectively) compared to the other sectors (see Table A.5.10 in Appendix A). It should be noted that within the Non-Market Services sector private sector establishments were more likely to report that their Apprentices typically spend less than three hours on training related activities each week than the public sector employers (38 per cent compared with 18 per cent, respectively).

5.5 Awareness of Apprenticeships

Alongside obtaining measures of current involvement in offering Apprenticeships and understanding the various quality elements of the Apprenticeships offered by employers (as discussed above), EPS 2014 asked those employers not currently offering formal Apprenticeships about their general awareness and knowledge of Apprenticeships.

The majority of employers not offering formal Apprenticeships at the time of the survey were aware of Apprenticeships and had at least some knowledge of what they involve (79 per cent). More specifically, around half reported that they had *some* knowledge of Apprenticeships and what they involve (48 per cent) with a further third reporting that they had either a good knowledge or very good knowledge of what they involve (23 per cent and nine per cent respectively). See Table A.5.11 in Appendix A for a full breakdown by country, size and sector.

These levels of awareness and knowledge of Apprenticeships are largely unchanged from 2012, though there has been a decrease in the proportion reporting that they had heard of Apprenticeships but did not know what they involve (down from 19 per cent in 2012 to 16 per cent in 2014).

5.6 Future demand for formal Apprenticeships

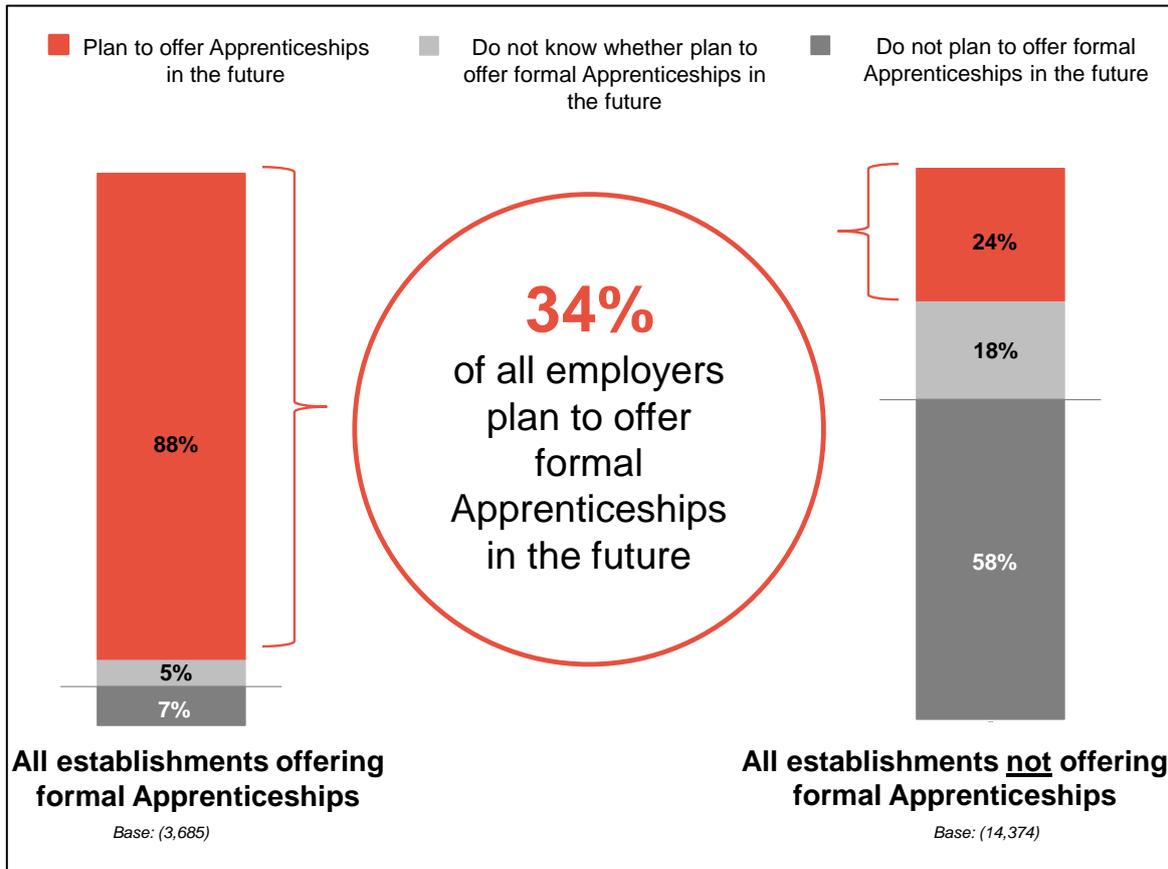
Alongside tracking awareness and current involvement with formal Apprenticeships, the EPS series also provides insight into the future demand for Apprenticeships among employers.

First, looking at the intention of employers currently engaged in formal Apprenticeships to continue doing so, the vast majority (88 per cent) planned to continue offering them in the future, seven per cent planned to discontinue offering them and five per cent did not know whether they planned to continue or discontinue offering formal Apprenticeships.

Employers who do not currently offer Apprenticeships may also be persuaded to offer them in the future. Almost a quarter of these employers (24 per cent) stated in interview that they were planning to do so in the future.

Combining these intentions, Figure 5.4 illustrates that, overall, 34 per cent of all employers in the UK plan to offer formal Apprenticeships in the future.

Figure 5.4 Future demand for offering formal Apprenticeships across all employers



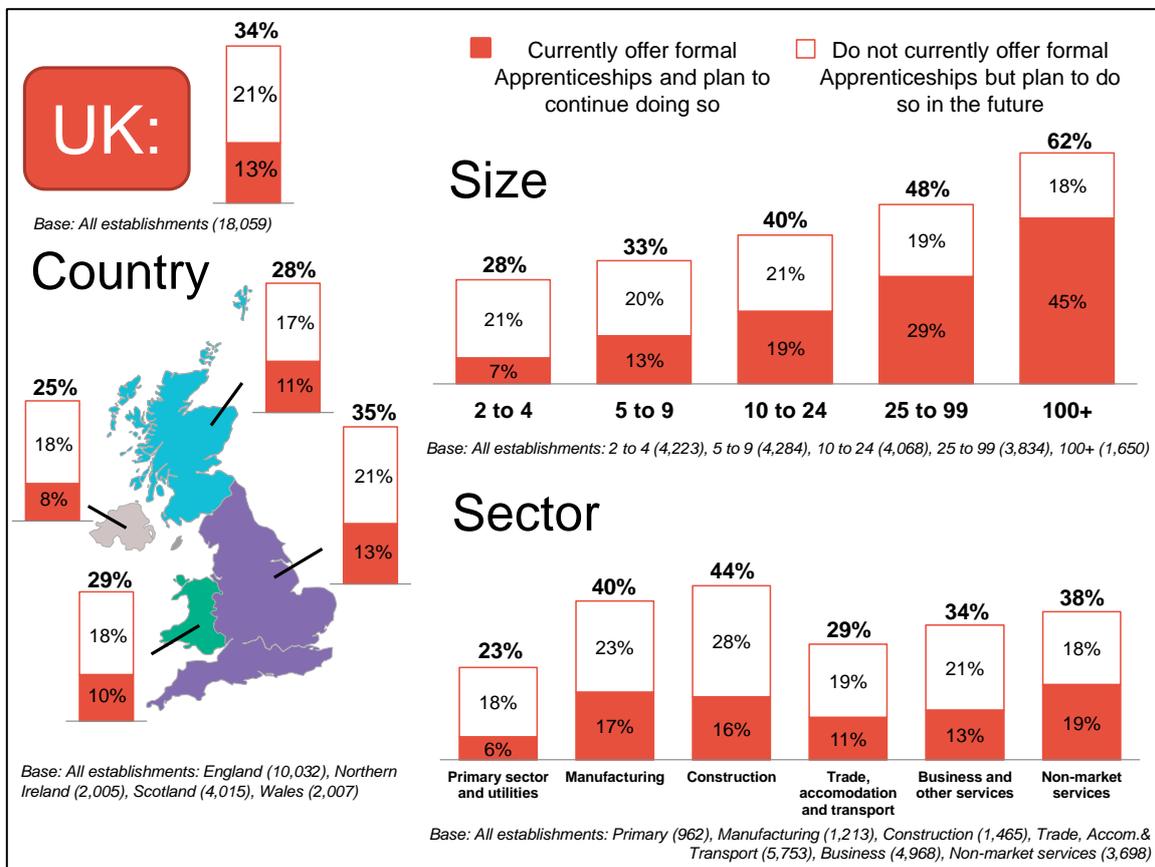
By nation the proportions of employers currently engaged in formal Apprenticeships planning to *continue* offering them in the future was greater in England and Scotland (88 per cent and 89 per cent, respectively) compared with employers in Northern Ireland (83 per cent) and Wales (82 per cent).

In terms of size, a greater proportion of establishments with fewer than 10 employees currently engaged in formal Apprenticeships reported that they intend to *discontinue* offering Apprenticeships in the future (nine per cent) compared with establishments with 10 or more employees (four per cent).

Furthermore, greater proportions of employers in the Primary and Utilities sector (12 per cent), as well as the Construction and Business and Other Services sectors (both eight per cent) who were engaged in offering Apprenticeships at the time of interviewing reported that they intend to *discontinue* offering them in the future compared with the employers in the Manufacturing (four per cent), Trade, Accommodation and Transport and Non-Market Services sectors (both five per cent).

The full extent of the potential size of the future employer demand for formal Apprenticeships is illustrated in Figure 5.5, where the levels of those who currently have or offer formal Apprenticeships is shown together with those who plan to do so in the future (based on all establishments). It should be noted, however, that this is a fairly limited measure of future demand of Apprenticeships given that the survey did not collect any data on the volume of Apprentices (for example, an employer currently engaged in Apprenticeships could report that they plan to continue offering them but, at the same time, plan to reduce the number of Apprentices they recruit).

Figure 5.5 Current levels of establishments offering formal Apprenticeships together with those who say they plan to offer them in the future



Levels of (potential) future engagement in offering Apprenticeships are greatest in the Construction and Manufacturing sectors, potentially reaching around two fifths of all establishments within these two sectors (40 and 44 per cent, respectively)³⁹.

³⁹ Due to the relative size of each sector, as discussed in Chapter one, a smaller growth in the Trade, Accommodation and Transport and Business and Other Services would equate to larger absolute growth. Indeed, of all establishments planning to offer formal Apprenticeships in the future (who did not do so at the time of interviewing): 35 per cent are in the Business and Other Services sector and 30 per cent are in the Trade, Accommodation and Transport sector (with 12 per cent in Construction, 11 per cent in Non Market Services, six per cent in Manufacturing and five per cent in the Primary Sector and Utilities).

In terms of size, the potential for growth was around one-fifth of all establishments in each of the sizebands (ranging from 18 per cent of all establishments in the 100+ sizeband to 21 per cent in both the 2-4 and 10-24 sizebands). This was also the case by country with the percentage of all establishments in each country not currently offering formal Apprenticeships but planning on doing so in the future ranging from 17 per cent in Scotland to 21 per cent in England.

The future levels of demand detailed above are largely unchanged since 2012 and, as we have seen, are not necessarily good predictors of future growth: the proportion of employers actually offering Apprenticeships has increased by two per cent since 2012. The challenge, then, if more employers are to be engaged in offering Apprenticeships, is to understand what barriers currently prevent employers from doing so.

5.6.1 Reasons for not currently offering Apprenticeships

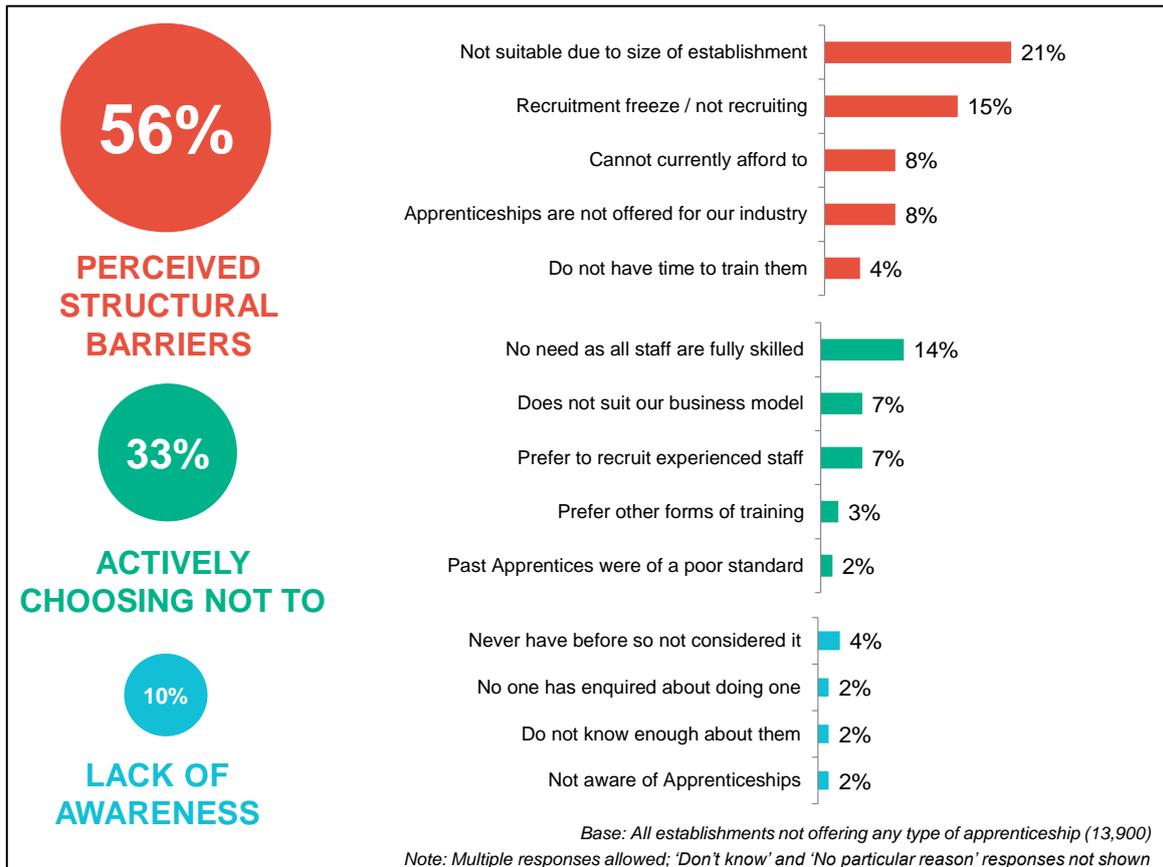
It is hoped that employers of all sizes and sectors across the UK economy will look to offer formal Apprenticeships in the future. If this is to be achieved it will be important to understand the barriers that employers currently face in offering formal Apprenticeship programmes in order to inform how best to stimulate demand.

EPS 2014 asked employers who were not engaged in offering Apprenticeships at the time of interviewing to spontaneously cite their reasons for not doing so. The three main reasons why establishments were not offering Apprenticeships related to:

- **Structural barriers** that employers perceived to be preventing them from being able to offer Apprenticeships, such as the fact that Apprenticeships were not available in their sector, or for their size of business, or that Apprenticeships are too financially demanding;
- **Active reasons** that establishments gave for not choosing to offer Apprenticeships which included a general feeling among employers that they did not need to offer Apprenticeships for reasons such as, for example, their staff not needing training or that they prefer to recruit fully trained staff; and
- A **lack of awareness** of Apprenticeships in general in terms of what is involved or that they had not been approached by an agency regarding Apprenticeships.

As illustrated in Figure 5.6, employers not currently engaged in Apprenticeships most commonly cited reasons relating to perceived structural barriers (56 per cent), followed by a third actively choosing not to offer Apprenticeships (33 per cent) and one in 10 reported that they did not offer Apprenticeships due to a lack of awareness about them (10 per cent).

Figure 5.6 Main reasons for not currently offering Apprenticeships



Reasons relating to perceived structural barriers are of interest as some of the reasons cited under this theme could be due to a lack of knowledge about Apprenticeships. For instance, eight per cent reported that they did not offer Apprenticeships because they could not afford to offer them which may suggest these employers were unaware of the various funding grants and incentives available for offering Apprenticeships. Similarly, the perception that Apprenticeships are not offered for particular industries may suggest that these employers were not aware of the wide range of Apprenticeship frameworks available.

Reasons relating to cost were more common among establishments with 2-4 employees (10 per cent) compared with those with five or more employees (five per cent) and were also most common among employers in the Construction sector (12 per cent compared with eight per cent across all employers).

Employers in the Construction sector, as well as those in the Primary and Utilities sector (21 per cent and 25 per cent, respectively), were more likely to report that they were not offering Apprenticeships because they were not looking to recruit new staff in general compared with the average of 15 per cent across all employers not offering Apprenticeships.

The perception that Apprenticeships are not offered for particular industries was most prominent among employers in the Non-Market Services sector (11 per cent, compared with eight per cent across all employers). It should be noted that within the Non-Market Services sector public sector establishments were more likely to perceive that Apprenticeships are not offered for their industry than private sector employers (15 per cent compared with nine per cent, respectively).

Reasons relating to a lack of awareness were relatively uniform across sector and size; however by country reasons relating to a lack of awareness were particularly prominent among employers in Northern Ireland (15 per cent compared with 11 per cent in Scotland, 10 per cent in England and 12 per cent in Wales, although the latter is not a statistically significant difference). This lack of awareness of Apprenticeships is of interest as it suggests that engagement with Apprenticeships could be improved through the provision of more information to increase knowledge of the variety of Apprenticeship programmes available.

However, it is encouraging that there has been a decrease since 2012 in the proportion of employers who cite a lack of awareness as a reason for not providing Apprenticeships (from 13 per cent in 2012 to 10 per cent in 2014), which is, as detailed in the previous section, in line with the decrease in the proportion of employers reporting that they do not know what Apprenticeships involve.

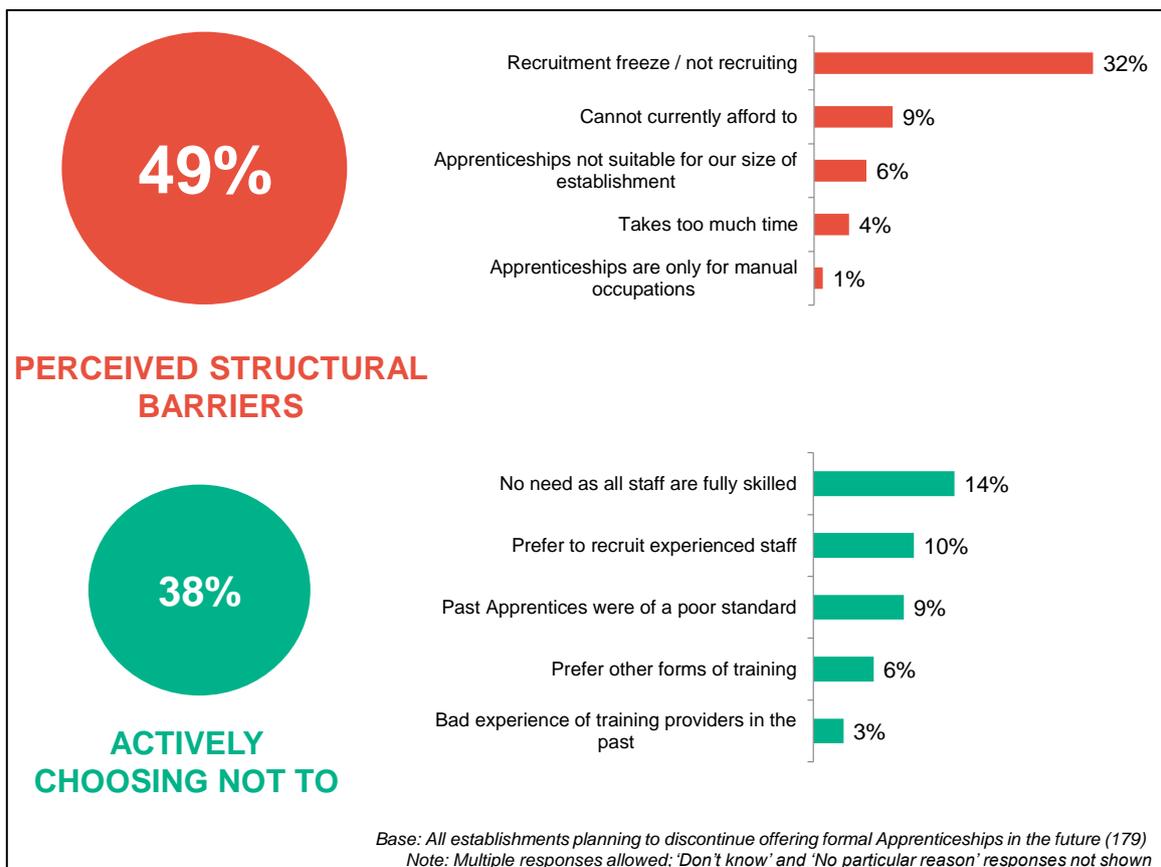
Furthermore, since 2012, there appears to have been some progress in alleviating some barriers which could be emanating from a lack of knowledge about Apprenticeships. For instance, eight per cent mentioned that they cannot currently afford to offer Apprenticeships (down from 10 per cent in 2012) and eight per cent mentioned that Apprenticeships are not offered for their industry (down from 16 per cent in 2012).

5.6.2 Reasons for not planning to offer Apprenticeships in the future

As discussed earlier, the vast majority (88 per cent) of employers offering formal Apprenticeships at the time of interview planned to continue offering them in the future. Only seven per cent planned to discontinue offering them (and a further five per cent did not know). Fewer responses mean that we have limited information as to why some employers plan to discontinue their Apprenticeship offer.

Nevertheless, around half of employers planning to discontinue offering formal Apprenticeships cited **structural barriers** (such as not being able to afford to continue offering them and not being suitable for the size of the establishment) and around two fifths (38 per cent) cited **active reasons** (including reasons such as, for example, their staff not needing training or that they prefer to recruit fully trained staff). A breakdown of these reasons split by theme is illustrated in Figure 5.7.

Figure 5.7 Main reasons for planning to discontinue offering formal Apprenticeships in the future



More specifically, the main reason for planning to discontinue offering Apprenticeships in the future was related to a general recruitment freeze (cited by 32 per cent of employers who plan to discontinue offering Apprenticeships). One in seven establishments (14 per cent) cited having no need to continue offering Apprenticeships as their staff were deemed to be fully skilled; a further 10 per cent of establishments stated they preferred to recruit experienced staff; and nine per cent mentioned that they could not afford to continue offering Apprenticeships.

The reasons given for planning to discontinue offering largely follow a similar pattern to what was reported in 2012.

6 Conclusions

The UK Commission's Employer Perspectives Survey provides insight into the thoughts and behaviour of UK employers on a range of issues relating to their use of, and engagement with, the skills system. Whilst the high level findings have been summarised in this report, it is important to emphasise that the survey itself provides a vast resource of information for those wanting to better understand employer motivations and behaviour in the area of skills development. There is a wealth of data available that have not been discussed in this report that will allow the information to be analysed in a more granular way (cutting more findings for example by size, sector and geography). Policy makers, practitioners and researchers are encouraged to explore the underpinning data tables.

In this concluding section we now turn to bring together the top level findings as a whole and consider their *implications* for all those involved in helping businesses better recruit, train and develop their people. To do this we focus on a number of key areas in the conclusion, namely:

- The recruitment of young people
- Work experience
- Training
- Vocational qualifications and Apprenticeships
- Employer collaboration.

Recruitment of young people

The high rate of youth unemployment in the UK has been a major concern amongst policy makers over recent years, who have been concerned with identifying ways of improving routes into work for young people. The EPS 2014 findings offer valuable insights into employer recruitment behaviour, and provide information on practices relating to the recruitment of young people in particular that can help inform policy in this area.

The findings show that there has been an increase in the proportion of employers that had recruited a young person from 2012, but that this was in line with an increase in recruitment generally. Word-of-mouth or personal recommendation persists as the most popular recruitment method for recruiting young people, and was used by just under a quarter of employers who had recruited a young person in the last 12 months (23 per cent). Just over one in 10 (11 per cent) of employers said they used work experience as a recruitment tool, whilst eight per cent claimed to have appointed a young person as a staff member following speculative enquiries. Although use of other methods such as the use of on-line channels has increased since 2012, the findings indicate therefore that face-to-face contact is still crucial for young people in getting a job.

This has implications for all those working with young people, such as careers advisers and educational institutions. The dominance of word of mouth recruitment is a concern as it is a relatively 'closed' channel that potentially disadvantages those without social networks and links into the workplace. However, the fact that it is used by such a large proportion of employers means that it is crucial that young people are made aware of the reality of this as a key route to employment. Those working with young people need to ensure that they are properly equipped with the appropriate social skills to approach employers effectively, and that they are also given good quality opportunities to gain experience of the world of work.

The survey also found that around three in 10 employers had recruited an education leaver (direct from school, college, or university) in the past two to three years. Encouragingly, those who had recruited education leavers were more likely to say that they found them well prepared for work than not. However, there was still a considerable proportion of employers that were dissatisfied with the quality of the education leavers they had recruited. This was particularly the case where school leavers were concerned: around a third who recruited a school leaver found them to be unprepared for work. Much smaller percentages of employers who recruit college leavers and graduates found them to be poorly prepared for work.

Notably, the most common shortcoming reported by employers that recruited education leavers was a lack of work experience, and here the importance of strong connections between employers and educational institutions comes in to play: a theme which runs throughout the survey findings. Employers want new recruits from education who come equipped with some experience of the world of work. However, new recruits do not always get the opportunity to gain the experience and there is an onus, therefore, on both educational establishments and employers to build stronger relationships to enable this.

The importance of work experience to employers is also highlighted by the fact that when recruiting all staff, the importance of candidates having relevant work experience was the most commonly sought-after factor, rated as 'critical or significant' by two thirds of UK employers (66 per cent). However, despite this, those who said that they valued work experience as a critical or significant were only slightly more likely than those who did not value this factor as critical or significant to offer work placements to people in education.

In terms of importance, work experience was followed by candidates having Maths and English GCSE (A*-C grade), which was deemed to be 'critical or significant' by 57 per cent of UK employers. The survey shows therefore that employers tend to value work experience and core skills as most important when recruiting, which has important implications for policy makers. However, the survey also found that around half of all employers also said that academic and vocational qualifications were 'critical or significant' when recruiting too. And what's more, when we look over time at previous survey results we find that the importance attached to both academic and vocational qualifications has increased. This indicates that employers are becoming more demanding over time when recruiting staff, which has clear implications for young people in particular, and especially those accessing employment for the first time. It is particularly important that labour market entrants are equipped with core skills, experience of the workplace and appropriate social skills in order to secure entry to employment.

Work experience

As we have seen, the survey findings very clearly highlight the importance of having experience of work in helping young people leaving education to access employment and to be better prepared for work when they get their first job.

In spite of this, only two fifths (38 per cent) of employers in the survey had actually provided work experience placements over the last year. These were most likely to be offered to those still in full time education at school. There was considerable variation between sectors here in the extent to which placements were offered, with the Construction and Manufacturing sectors least likely to offer work experience placement opportunities (21 per cent and 26 per cent respectively). Given the value employers clearly place on work experience, there are clear opportunities for improvement here, and a need for sector-focused action on the part of employers, employer intermediary organisations and education providers alike.

Giving people exposure to the workplace, however, can involve a range of other activities as well as work experience placements. Looking at these broader 'work inspiration' activities (such as mock interviews and site visits for example), the survey findings show that fewer than one in five employers provide them. Again, there is clear scope for improvement here. The fact that a very low proportion of employers reported experiencing difficulties when engaging institutions in work inspiration activities is encouraging, and indicates that this is not likely to be a barrier. It is therefore worth considering ways in which the benefits of work inspiration can be better promoted to employers, and, perhaps more critically, how policy makers and practitioners can more effectively signpost employers to the types of sector-specific, resource-light placements or work inspiration activities that they could provide in future.

Training

Turning to look at training, the survey shows, supporting findings from other evidence sources such as the Employer Skills Survey, that the majority of UK employers train their staff. Whilst internal training provision is more common, a considerable proportion of employers used external providers to deliver their training (45 per cent).

However, there is an imbalance in terms of the use of public and private providers. Although publicly funded training providers are a key feature of the learning and skills system, they were only used by 11 per cent of all employers (or 15 per cent of those who funded or arranged training for some of their staff). Commercial providers are used much more widely by employers (used by 41 per cent of all employers; 60 per cent of those who train), and the evidence suggests that this is a widening gap. Since 2012, the use of public training providers has dropped by four percentage points, a decrease most stark among large employers and those in the Construction and Non-Market Services sectors. On the other hand, the use of commercial providers has increased from 55 to 60 per cent.

Whether they choose to use public or private providers, the findings show that employers tend to make their choices based on the *relevance* of provision: 65 per cent of those choosing public providers chose their provider because their course offering was relevant, as did 57 per cent of employers using private provision. Conversely, half of employers who opted for a private provider rather than a public one (49 per cent) did so because they felt that public providers did not offer relevant courses. This was less commonly given as the reason for not using private providers.

There are clear implications here for training providers, and in particular publicly funded providers. Although it appears that employers are able to find the external training they want, whether through public or private provision, some move towards private training due to a perceived lack of suitable options among public providers. To address this, public training providers might look further into the data to identify those types of employers that typically reported finding their training offer as not relevant to their needs. Typically, at a broad level, small employers and employers in the Business and Other Services sector were more likely to report that the courses FE colleges provide were not relevant to their needs, but interrogation of the data at a local level will reveal other patterns.

The broad message from the survey on external training is that getting the product offering right is important for providers. The findings also show that many employers are investing their own money in training, and that when they do they are much more likely to wholly fund training delivered via commercial organisations than they are through colleges and universities. For public providers this could be seen as an opportunity, if training provision is relevant, employers are willing to invest in it.

However, this needs to be considered in the context that at present relatively few employers engage with training providers to help to shape the content of training courses (15 per cent of those who provide external training did so). In the main it appears that providers remain in traditional 'buyer-seller' relationships with employers. However, there is scope for them to act as partners, with employers involved more in shaping supply.

Vocational qualifications and Apprenticeships

The survey also shows that a quarter of employers (26 per cent) provided training for at least some of their employees which was designed to lead to a Vocational Qualification. Most of these employers perceive benefits (both for themselves as employers and for the individuals who achieve the qualifications), suggesting some degree of satisfaction with the vocational qualification system.

Contrasting with this positive story, however, the barriers that prevent more employers providing training designed to lead to VQs most commonly relate to issues of supply, such as the fact that VQs are perceived to be too complicated (reported by 21 per cent of employers who had not arranged or funded training designed to lead to a VQ), and too bureaucratic (20 per cent) and/or to take too long to deliver (19 per cent). This suggests that better communication by providers on the benefits of VQs is important and may help to engage greater numbers of employers in arranging VQs for their staff.

Apprenticeships also comprise an important and growing area of training provision. Here the survey found that 15 per cent of employers were offering formal Apprenticeships, a rise of two percentage points from 2012. The survey reports a high degree of satisfaction with Apprenticeships, evidenced in the fact that the great majority of those currently offering Apprenticeships (88 per cent) plan to continue to do so.

On the other hand, it seems that there is still a lot of room for growth in the Apprenticeship market, since the vast majority of employers (85 per cent) do not offer them. There is scope particularly for growth in Apprenticeships amongst smaller employers. It is still the case that there are clear patterns in Apprenticeship offering by sector, with Apprenticeships most likely to be offered by Construction and Manufacturing employers.

A considerable proportion of the employers who did not offer Apprenticeships cited barriers relating to the structure of the Apprenticeship system such as the fact that Apprenticeships were not available in their sector, or for their size of business, or that Apprenticeships were too financially demanding. It is therefore important that training providers (as well as policy makers) fully understand (and tackle) these perceptions, and continue to promote the value and relevance of Apprenticeships to employers. This is particularly critical if smaller establishments are to become more engaged with Apprenticeships.

The findings also indicate that the Apprenticeships that are being offered are of variable quality. A considerable proportion of employers (12 per cent) offered short duration Apprenticeships lasting less than 12 months, and these short duration Apprenticeships were more common amongst establishments with five or more employees. The majority of employers offering Apprenticeships did offer formal training, and the mean number of hours per Apprentice per week spent on training, studying and meeting their supervisor was 7 hours. However, a quarter (26 per cent) of employers still offered less than three hours on these activities a week. There are clear implications here for policy makers concerned with ensuring that Apprenticeships offer individuals high quality skills development opportunities.

Employer collaboration

As well as looking at the relationships between employers and education providers EPS 2014 also included new questions to gather information about the nature and extent of employer to employer collaboration. This is a current area of concern for policy makers seeking to encourage greater 'employer ownership' of the skills system, but there has been a lack of information of the magnitude and character of existing activities in this area.

The findings show that around one-sixth of employers had worked with other employers in the last 12 months to deliver, or share, expertise on skills and training. Such collaboration was more common among large establishments and those in the Non-Market Services sector. Employers in the Manufacturing sector were notably less likely than average to have worked in such a collaborative manner with other employers. This shows that a significant amount of collaborative activity is taking place amongst employers, but that there is also clear scope for encouraging more, and for more research into the dynamics at play.

In order to understand how more employer to employer collaboration can be achieved, it is important to understand employer motivations for and benefits from collaboration. Here EPS 2014 shows that the most common benefit that employers reported from collaboration was the ability to share best practice from previous experiences. Around one in eight employers who had collaborated with others reported financial benefits as a result, a hook which policy makers could both use and explore further when promoting the values of employer collaboration. Longer term benefits also point towards potential productivity gains: one in six reported this collaboration help to plug skills gaps in the business.

Final considerations

Overall, the findings from the Employer Perspectives Survey make a valuable contribution to knowledge of employer behaviour and perceptions of the skills system. Broadly speaking, the evidence is positive in the sense that it suggests that a significant number of employers in the UK are engaged to some extent in activities designed to enhance skills and capacity such as training, Apprenticeships and employer collaboration.

However, there is clear scope for improvement in terms of strengthening the relationships between educational institutions and employers in a number of areas: particularly in terms of providing more work experience opportunities and in shaping training provision and vocational qualifications so that they are more relevant to employer needs. It also should be noted that there is a sizeable minority of employers that do not seem to be engaged at all in skills development activities, presenting a considerable challenge to policy makers. If the UK is to remain competitive it is vital to ensure that we have an effective, responsive and well-used skills system. The Employer Perspectives Survey offers a valuable resource for all those working towards this important goal.

Appendix A: Supplementary Tables

Chapter 2: Employer Perspectives on Recruitment

Table A.2.1 Proportion of establishments who had any vacancies for full or part-time staff and whether they successfully recruited in the last 12 months (2012 comparison)

	2012			2014		
	Base (unwtd):	Had vacancies %	Successfully recruited %	Base (unwtd):	Had vacancies %	Successfully recruited %
<i>Row percentages</i>						
UK	15,004	48	43	18,059	49	46
Country						
England	10,003	48	44	10,032	50	46
Northern Ireland	1,000	40	35	2,005	38	35
Scotland	2,000	50	46	4,015	48	44
Wales	2,001	43	38	2,007	46	42
Size						
2 to 4	3,373	30	25	4,223	28	24
5 to 9	3,415	55	50	4,284	57	53
10 to 24	3,326	72	68	4,068	78	74
25 to 99	3,082	87	85	3,834	90	88
100+	1,808	95	94	1,650	97	96
Sector 6						
Primary Sector & Utilities	673	30	26	962	24	22
Manufacturing	1,166	45	41	1,213	47	43
Construction	1,033	33	28	1,465	32	28
Trade, Accommodation & Transport	4,980	50	46	5,753	54	50
Business and Other Services	4,101	47	42	4,968	48	44
Non-Market Services	3,051	66	62	3,698	68	64
Sector 12						
Primary Sector & Utilities				962	24	22
Manufacturing				1,213	47	43
Construction				1,465	32	28
Wholesale and Retail				3,580	52	48
Hotels and Restaurants				1,649	63	58
Transport, Storage & Communications				1,165	46	43
Financial services				486	48	45
Business services				2,613	48	43
Public administration				466	67	63
Education				1,122	71	66
Health and social work				2,110	67	63
Community				1,228	48	43

Base: All establishments

2012 Sector 12 figures have been left blank due to data not being comparable to 2014 sector 14 figures (owing to a change to the weighting approach)

Table A.2.2 Proportion of establishments who used specific services or initiatives to recruit staff in the last 12 months

	UK	England	Northern Ireland	Scotland	Wales
<i>Unwtd Base:</i>	18,059 %	10,032 %	2,005 %	4,015 %	2,007 %
<i>Column percentages</i>					
EN/WL/SC: Jobcentre Plus's recruitment services	12	12	n/a	12	13
EN/WL/SC: Universal Jobmatch service	3	3	n/a	3	4
EN/WL/SC: Youth Contract	1	1	n/a	1	1
Graduate Talent Pool	1	1	1	1	*
NI: Jobcentre's recruitment services	*	n/a	12	n/a	n/a
NI: Steps to Work	*	n/a	8	n/a	n/a
NI: Employers Online	*	n/a	4	n/a	n/a
NI: Youth Employment Scheme	*	n/a	3	n/a	n/a
NI: Training for Success	*	n/a	1	n/a	n/a
NI: Bridge to Employment	*	n/a	1	n/a	n/a
SC: Get Ready for Work	*	n/a	n/a	2	n/a
SC: Training for Work	*	n/a	n/a	2	n/a
SC: Employer Recruitment Incentive	*	n/a	n/a	1	n/a
SC: Community Jobs Fund	*	n/a	n/a	1	n/a
SC: Employability Fund	*	n/a	n/a	1	n/a
WL: Jobs Growth Wales	*	n/a	n/a	n/a	6
WL: Go Wales	*	n/a	n/a	n/a	3
WL: Young Recruits Programme	*	n/a	n/a	n/a	2
WL: ReAct, Redundancy Action Scheme	*	n/a	n/a	n/a	1
WL: Traineeships	*	n/a	n/a	n/a	1
ANY RECRUITMENT SERVICE / INITIATIVE MENTIONED	15	15	18	15	21

Base: All establishments

*** denotes a figure larger than zero but smaller than 0.5*

'n/a' denotes country specific scheme

Table A.2.3 Proportion of recruiting establishments who used particular types of recruitment channels (2012 comparison)

Row percentages	Unwtd Base (2012)	Unwtd Base (2014)	%	Public free		Private paid for		Private free	
				2012	2014	2012	2014	2012	2014
UK	9,576	11,529	%	37	38	42	44	67	74
Country									
England	6,486	6,642	%	35	36	42	44	68	75
Northern Ireland	544	1,090	%	43	54	52	50	53	59
Scotland	1,312	2,567	%	41	39	40	44	63	73
Wales	1,234	1,230	%	55	53	34	31	66	70
Size									
2 to 4	995	1,134	%	30	30	31	35	69	72
5 to 9	1,840	2,310	%	34	33	37	39	68	75
10 to 24	2,365	3,066	%	39	39	47	47	66	74
25 to 99	2,656	3,422	%	49	52	57	59	64	73
100+	1,720	1,597	%	49	56	68	71	74	81
Sector 6									
Primary Sector & Utilities	308	333	%	35	20	40	43	60	70
Manufacturing	737	798	%	39	43	50	57	55	60
Construction	474	644	%	31	34	37	44	63	67
Trade, Accommodation & Transport	3,142	3,801	%	38	38	28	30	75	81
Business and Other Services	2,555	3,064	%	31	32	48	51	66	73
Non-Market Services	2,360	2,889	%	49	50	57	56	61	68
Sector 12									
Primary Sector & Utilities		333	%		20		43		70
Manufacturing		798	%		43		57		60
Construction		644	%		34		44		67
Wholesale and Retail		2,223	%		39		31		80
Hotels and Restaurants		1,287	%		35		26		87
Transport, Storage & Communications		710	%		32		55		65
Financial services		271	%		22		47		75
Business services		1,636	%		35		53		71
Public administration		349	%		44		53		72
Education		903	%		53		59		66
Health and social work		1,637	%		49		54		69
Community		738	%		32		40		80

Base: All establishments with vacancies

2012 Sector 12 figures have been left blank due to data not being comparable to 2014 sector 14 figures (owing to a change to the weighting approach)

Table A.2.4 Recruitment channels used by establishments reporting a vacancy (2012 comparison)

	2012	2014
<i>Unwtd Base:</i>	9,576	11,529
<i>Column percentages</i>	%	%
Jobcentre Plus (GB), Jobcentre/Jobs and Benefits Office (NI)	33	32
Word of mouth / personal recommendation	29	30
Own website	17	21
Local press (includes paper or online)	21	19
Recruitment agencies	17	19
Internal notices (notice boards / intranet) / filled it internally	12	12
Other free websites (e.g. Gumtree)	9	11
Notice boards / shop windows	10	10
Paid for Recruitment websites (e.g. Monster, Jobsite or Total Jobs)	7	9
Government programmes and schemes	3	8
School / college / university job fairs or career services	5	7
Social media	3	7
Speculative enquiries	3	7
National press (includes paper or online)	2	3
Trade press / professional publications	3	3
EN: National Apprenticeship Service (NAS) Apprenticeship Vacancies system	1	2
PUBLIC FREE	37	38
PRIVATE PAID FOR	42	44
PRIVATE FREE	67	74

Base: All establishments who have had vacancies

Table A.2.5 Proportion of employers rating each factor as “Critical” or “Significant” when recruiting new staff

<i>Row percentages</i>	<i>Unwtd Base:</i>		Academic qualifications	Maths & English GCSE	Vocational qualifications	Relevant work experience
UK	18,059	%	49	57	50	66
Country						
England	10,032	%	49	58	50	66
Northern Ireland	2,005	%	55	63	56	75
Scotland	4,015	%	47	48	51	67
Wales	2,007	%	42	52	47	63
Size						
2 to 4	4,223	%	47	56	49	64
5 to 9	4,284	%	50	58	50	68
10 to 24	4,068	%	50	55	50	67
25 to 99	3,834	%	57	61	57	71
100+	1,650	%	62	63	54	71
Sector 6						
Primary Sector & Utilities	962	%	33	39	54	73
Manufacturing	1,213	%	40	56	49	68
Construction	1,465	%	43	51	56	68
Trade, Accommodation & Transport	5,753	%	36	48	39	59
Business and Other Services	4,968	%	62	68	53	68
Non-Market Services	3,698	%	67	67	67	73
Sector 12						
Primary Sector & Utilities	962	%	33	39	54	73
Manufacturing	1,213	%	40	56	49	68
Construction	1,465	%	43	51	56	68
Wholesale and Retail	3,580	%	39	52	38	58
Hotels and Restaurants	1,649	%	26	39	41	62
Transport, Storage & Communications	1,165	%	55	65	50	66
Financial services	486	%	75	84	43	60
Business services	2,613	%	63	69	52	69
Public administration	466	%	66	73	53	70
Education	1,122	%	84	82	79	79
Health and social work	2,110	%	59	60	63	70
Community	1,228	%	50	54	59	68

Base: All establishments

Table A.2.6 Proportion of establishments who recruited young people in the last 12 months (2012 comparison)

Row percentages	Unwtd Base (2012)	Unwtd Base (2014)	%	Recruited anyone aged 16-18		Recruited anyone aged 19-24		RECRUITED YOUNG PEOPLE	
				2012	2014	2012	2014	2012	2014
UK	9,006	10,946	%	24	25	53	57	62	66
Country									
England	6,129	6,328	%	24	25	53	57	62	66
Northern Ireland	498	1,014	%	19	22	52	56	59	63
Scotland	1,236	2,440	%	26	26	55	57	66	66
Wales	1,143	1,164	%	24	24	55	58	64	66
Size									
2 to 4	827	974	%	17	17	39	41	51	51
5 to 9	1,681	2,140	%	21	23	48	50	59	61
10 to 24	2,229	2,902	%	27	27	59	65	68	72
25 to 99	2,578	3,349	%	31	33	69	75	75	80
100+	1,691	1,581	%	42	44	82	86	86	89
Sector 6									
Primary Sector & Utilities	285	312	%	19	23	44	47	57	59
Manufacturing	688	760	%	21	26	47	54	55	64
Construction	428	590	%	19	25	44	47	55	59
Trade, Accommodation & Transport	2,973	3,642	%	35	33	59	62	71	72
Business and Other Services	2,372	2,878	%	18	20	51	55	58	63
Non-Market Services	2,260	2,764	%	17	18	53	57	59	60
Sector 12									
Primary Sector & Utilities		312	%		23		47		59
Manufacturing		760	%		26		54		64
Construction		590	%		25		47		59
Wholesale and Retail		2,123	%		33		57		68
Hotels and Restaurants		1,249	%		37		77		84
Transport, Storage & Communications		672	%		18		49		58
Financial services		249	%		19		65		68
Business services		1,550	%		18		54		62
Public administration		323	%		19		54		57
Education		870	%		20		66		70
Health and social work		1,571	%		16		53		56
Community		677	%		24		54		64

Base: All establishments who had recruited in the past year

2012 Sector 12 figures have been left blank due to data not being comparable to 2014 sector 14 figures (owing to a change to the weighting approach)

Table A.2.7 Proportion of establishments who have recruited young people to a specific job role

			Managers	Professionals	Associate professionals	Administrative / clerical staff	Skilled trades occupations	Caring, Leisure and Other Services	Sales and customer services staff	Machine operatives	Elementary staff
<i>Row percentages</i>	<i>Unwd</i>	<i>Base:</i>									
UK	7,928	%	1	5	10	13	9	13	20	4	22
Country											
England	4,606	%	2	5	10	13	9	13	20	4	22
Northern Ireland	706	%	2	6	8	11	9	15	23	4	19
Scotland	1,779	%	1	6	7	12	10	15	19	4	25
Wales	837	%	1	5	9	10	9	13	20	5	26
Size											
2 to 4	491	%	2	5	13	14	12	9	18	3	23
5 to 9	1,277	%	2	3	9	11	10	9	27	3	23
10 to 24	2,066	%	1	4	9	12	9	15	22	4	23
25 to 99	2,690	%	*	8	8	14	8	20	14	5	20
100+	1,404	%	1	7	11	17	10	12	11	8	15
Sector 6											
Primary Sector & Utilities	220	%	2	2	3	7	11	2	4	12	55
Manufacturing	553	%	1	2	5	11	31	*	13	24	10
Construction	402	%	1	4	4	10	40	1	3	8	26
Trade, Accommodation & Transport	2,874	%	2	*	2	5	9	2	39	3	37
Business and Other Services	1,998	%	1	9	22	23	6	11	10	2	11
Non-Market Services	1,881	%	1	10	7	14	1	57	2	1	3
Sector 12											
Primary Sector & Utilities	220	%	2	2	3	7	11	2	4	12	55
Manufacturing	553	%	1	2	5	11	31	*	13	24	10
Construction	402	%	1	4	4	10	40	1	3	8	26
Wholesale and Retail	1,592	%	3	*	3	5	9	1	62	3	13
Hotels and Restaurants	1,129	%	1	*	1	3	8	4	6	1	75
Transport, Storage & Communications	429	%	*	16	24	14	8	1	12	5	12
Financial services	175	%	2	1	14	34	1	*	46	-	1
Business services	1,059	%	1	10	25	28	8	3	6	3	13
Public administration	207	%	1	2	15	35	1	27	5	*	1
Education	624	%	*	24	7	13	1	48	1	*	3
Health and social work	1,050	%	2	4	6	12	1	67	2	1	3
Community	488	%	2	1	11	16	2	44	9	*	13

Base: All establishments who have recruited young people

** denotes a figure larger than zero but smaller than 0.5; '-' denotes zero

Table A.2.8a Proportion of poorly prepared education leavers in England, NI and Wales who lack specific skills

		16 year-old school leavers	17-18 year-olds recruited to their first job from school	17-18 year-olds recruited to their first job from college	University or higher education leavers
<i>Column percentages</i>	<i>Unwtd Base:</i>	1,830	2,445	2,400	3,177
		%	%	%	%
Lack of working world / life experience or maturity		25	20	14	10
Poor attitude / personality or lack of motivation		21	20	13	6
Lack required skills or competencies		10	9	7	5
Lack of common sense		6	5	3	2
Literacy / numeracy skills		4	2	1	*
Poor education		3	1	1	1

Base: All establishments in England, NI and Wales who have recruited each type of education leaver

*** denotes a figure larger than zero but smaller than 0.5*

Table A.2.8b Proportion of poorly prepared education leavers in Scotland who lack specific skills

		Scottish Secondary school leavers	Scottish FE College leavers	Scottish University leavers
<i>Column percentages</i>	<i>Unwtd Base:</i>	1,101	754	840
		%	%	%
Lack of working world / life experience or maturity		20	8	6
Poor attitude / personality or lack of motivation		15	6	2
Lack required skills or competencies		9	5	4
Lack of common sense		5	1	1
Literacy / numeracy skills		2	1	*
Poor education		1	1	1

Base: All establishments in Scotland who have recruited each type of education leaver

*** denotes a figure larger than zero but smaller than 0.5*

Chapter 3: Employer Perspectives on Work Experience

Table A.3.1 Proportion of establishments offering specific types of work experience placements in the last 12 months

Row percentages	Unwtd Base:		Placements for people at school	Placements for people at college	Placements for people at university	Work trials for potential new recruits	Placements targeted at giving work experience to the unemployed	Internships, either paid or unpaid	ANY TYPE OF WORK PLACEMENT
UK	18,059	%	20	12	12	9	6	6	38
Country									
England	10,032	%	20	12	12	9	5	6	38
Northern Ireland	2,005	%	28	22	15	6	17	7	48
Scotland	4,015	%	20	11	11	8	9	5	37
Wales	2,007	%	23	13	11	9	9	4	39
Size									
2 to 4	4,223	%	14	8	6	5	4	4	28
5 to 9	4,284	%	20	11	11	10	5	7	40
10 to 24	4,068	%	25	16	16	14	7	7	49
25 to 99	3,834	%	39	28	29	17	10	12	65
100+	1,650	%	55	37	45	15	15	27	79
Sector 6									
Primary Sector & Utilities	962	%	12	10	9	4	2	2	27
Manufacturing	1,213	%	14	5	6	8	4	3	26
Construction	1,465	%	10	4	2	5	3	2	21
Trade, Accommodation & Transport	5,753	%	17	8	6	12	6	4	35
Business and Other Services	4,968	%	22	13	13	7	5	9	40
Non-Market Services	3,698	%	38	34	32	12	12	10	66
Sector 12									
Primary Sector & Utilities	962	%	12	10	9	4	2	2	27
Manufacturing	1,213	%	14	5	6	8	4	3	26
Construction	1,465	%	10	4	2	5	3	2	21
Wholesale and Retail	3,580	%	20	9	7	8	6	5	35
Hotels and Restaurants	1,649	%	11	8	6	20	5	3	38
Transport, Storage & Communications	1,165	%	20	11	9	8	4	8	36
Financial services	486	%	20	9	11	5	2	7	31
Business services	2,613	%	19	12	14	7	3	10	38
Public administration	466	%	29	18	25	7	12	10	53
Education	1,122	%	62	51	49	15	11	13	80
Health and social work	2,110	%	29	28	26	12	12	9	61
Community	1,228	%	31	18	11	10	9	8	48
Organisation Type									
Seeking a profit	14,391	%	17	10	9	9	4	5	34
Voluntary sector	1,884	%	34	28	27	9	19	13	65
Public sector	1,738	%	46	36	40	6	10	10	67

Base: All establishments

Table A.3.2a Proportion of employers who have taken on individuals into a permanent or long-term paid role following their placement in the last 12 months

<i>Cell percentages</i>	Placements for people at school	Placements for people at college	Placements for people at university	Work trials for potential new recruits	Placements targeted at giving work experience to the unemployed	Internships, either paid or unpaid
UK	10	16	21	60	25	23
Country						
England	10	16	21	62	23	23
Northern Ireland	9	11	15	41	23	15
Scotland	10	19	21	56	26	27
Wales	7	15	20	51	34	19
Size						
2 to 4	6	9	14	44	15	17
5 to 9	10	12	19	62	18	26
10 to 24	11	21	20	70	34	23
25 to 99	14	23	26	74	39	28
100+	17	25	38	69	46	28
Sector 6						
Primary Sector & Utilities	9	7	14	46	33	22
Manufacturing	8	18	22	66	28	15
Construction	9	21	21	66	28	21
Trade, Accommodation & Transport	12	19	23	65	24	25
Business and Other Services	9	13	23	58	26	25
Non-Market Services	8	18	18	53	22	19
Sector 12						
Primary Sector & Utilities	9	7	14	46	33	22
Manufacturing	8	18	22	66	28	15
Construction	9	21	21	66	28	21
Wholesale and Retail	11	16	19	62	22	22
Hotels and Restaurants	18	25	33	72	30	26
Transport, Storage & Communications	9	16	28	47	30	35
Financial services	12	15	20	**	**	26
Business services	10	13	26	58	36	25
Public administration	8	19	19	51	18	20
Education	7	19	19	56	23	25
Health and social work	8	17	17	51	22	16
Community	8	13	10	58	13	19
Organisation Type						
Seeking a profit	11	18	23	62	32	26
Voluntary sector	5	11	14	45	12	16
Public sector	7	13	20	48	16	13

Base: All establishments with placements within each type of placement by country, size, sector and organisation type (Bases shown in Table 3.2.b)

**** denotes base size smaller than 25; Figures in italics denote a base size smaller than 50: figures should be treated with caution.*

Table A.3.2b Bases for previous table (Table A.3.2a)

<i>Row percentages</i>	Placements for people at school	Placements for people at college	Placements for people at university	Work trials for potential new recruits	Placements targeted at giving work experience to the unemployed	Internships, either paid or unpaid
UK	5,142	3,399	3,274	2,057	1,780	1,559
Country						
England	2,712	1,790	1,805	1,202	621	927
Northern Ireland	728	566	439	155	416	198
Scotland	1,093	662	688	463	501	321
Wales	609	381	342	237	242	113
Size						
2 to 4	622	367	273	219	253	144
5 to 9	923	528	484	393	299	248
10 to 24	1,139	744	657	516	374	300
25 to 99	1,546	1,133	1,115	652	530	452
100+	912	627	745	277	324	415
Sector 6						
Primary Sector & Utilities	157	105	112	67	41	36
Manufacturing	305	143	169	136	93	108
Construction	240	104	61	114	90	35
Trade, Accommodation & Transport	1,271	658	450	852	575	289
Business and Other Services	1,457	859	953	439	382	623
Non-Market Services	1,712	1,530	1,529	449	599	468
Sector 12						
Primary Sector & Utilities	157	105	112	67	41	36
Manufacturing	305	143	169	136	93	108
Construction	240	104	61	114	90	35
Wholesale and Retail	864	396	280	349	374	176
Hotels and Restaurants	298	218	143	454	176	98
Transport, Storage & Communications	290	158	161	105	71	115
Financial services	102	52	59	22	19	40
Business services	746	404	549	227	155	353
Public administration	160	111	144	32	75	69
Education	747	607	655	153	151	174
Health and social work	805	812	730	264	373	225
Community	428	289	211	134	162	130
Organisation Type						
Seeking a profit	3,483	2,007	1,767	1,749	1,125	1,019
Voluntary sector	718	629	621	180	414	291
Public sector	932	753	881	126	238	248

Table A.3.3a Reasons for offering work placements, by country (2012 comparison)

	UK		England		Northern Ireland		Scotland		Wales	
	2012	2014	2012	2014	2012	2014	2012	2014	2012	2014
<i>Unwtd base:</i>	5,509	8,915	3,606	4,821	411	1,169	692	1,932	800	993
<i>Column percentages</i>	%	%	%	%	%	%	%	%	%	%
Gives them experience	54	54	53	54	51	53	58	52	56	54
Helps us with recruitment / use it as a trial period	20	28	19	28	21	26	22	28	22	27
Benefits to young people	35	26	35	26	35	26	32	26	35	26
Part of formal Social responsibility / CSR policy	9	8	9	8	9	7	8	9	8	6
Asked / approached by student / school / university	7	7	7	7	7	8	8	8	6	8
An extra pair of hands / help with the workload	4	5	4	5	3	4	3	3	4	4
Raises our profile in the recruitment market	4	4	4	4	3	3	3	4	5	4
Do not need to pay them	3	3	3	3	4	3	3	2	4	4
Favour for family member / friend / friend or family of colleague	4	3	5	3	3	2	4	2	2	3
Beneficial to the company	4	2	4	2	2	2	3	2	3	2
Existing links / partnerships with educational institutions / training providers / job centre	3	2	3	2	2	1	4	2	2	2
Requirement of qualification / essential part of their studies	1	1	1	1	1	2	1	2	1	2
ALTRUISTIC	75	71	75	71	73	72	77	70	77	71
COMPANY BENEFIT	31	38	31	38	31	36	32	37	34	37
OPPORTUNISTIC	11	10	12	10	10	11	12	10	8	11

Base: All who have had placements in the last 12 months

Table A.3.3b Reasons for offering work placements, by size (2012 comparison)

	2 to 4		5 to 9		10 to 24		25 to 99		100+	
	2012	2014	2012	2014	2012	2014	2012	2014	2012	2014
<i>Unwtd base:</i>	699	1,203	967	1,756	1,189	2,067	1,455	2,568	1,199	1,321
<i>Column percentages</i>	%	%	%	%	%	%	%	%	%	%
Gives them experience	54	53	51	54	54	53	54	56	54	58
Helps us with recruitment / use it as a trial period	17	23	22	32	19	31	23	31	29	29
Benefits to young people	33	26	36	25	37	25	32	26	37	26
Part of formal Social responsibility / CSR policy	8	7	9	7	9	8	10	10	15	15
Asked / approached by student / school / university	7	9	8	5	8	6	6	6	4	5
An extra pair of hands / help with the workload	5	6	4	4	3	3	2	3	2	4
Raises our profile in the recruitment market	3	2	4	4	4	4	6	5	10	10
Do not need to pay them	3	4	4	3	3	2	2	3	3	1
Favour for family member / friend / friend or family of colleague	6	4	5	2	3	3	3	2	3	3
Beneficial to the company	6	2	3	2	3	2	3	3	3	3
Existing links / partnerships with educational institutions / training providers / job centre	1	1	4	2	3	3	4	3	4	3
Requirement of qualification / essential part of their studies	1	1	1	1	1	1	1	2	1	2
ALTRUISTIC	73	70	74	70	79	70	78	74	81	80
COMPANY BENEFIT	31	33	32	41	29	39	33	40	41	41
OPPORTUNISTIC	12	13	12	7	11	9	9	8	7	7

Base: All who have had placements in the last 12 months

Table A.3.3c Reasons for offering work placements, by sector (2012 comparison)

	Primary & Utilities		Manufacturing		Construction		Trade, Accommodation and Transport		Business and Other Services		Non-Market Services	
	2012	2014	2012	2014	2012	2014	2012	2014	2012	2014	2012	2014
<i>Unwtd base:</i>	138	318	368	523	238	444	1,362	2,456	1,623	2,435	1,780	2,739
<i>Column percentages</i>	%	%	%	%	%	%	%	%	%	%	%	%
Gives them experience	54	57	51	48	45	42	48	49	53	54	63	64
Helps us with recruitment / use it as a trial period	15	24	23	34	16	32	21	35	21	25	17	22
Benefits to young people	27	32	32	24	31	20	36	25	35	26	35	26
Part of formal Social responsibility / CSR policy	8	5	9	4	9	2	8	7	10	9	10	10
Asked / approached by student / school / university	5	10	6	8	9	9	8	6	7	7	6	6
An extra pair of hands / help with the workload	6	4	1	2	1	1	5	3	4	6	4	5
Raises our profile in the recruitment market	1	2	4	5	1	4	3	3	5	4	6	5
Do not need to pay them	7	3	4	1	3	3	4	3	3	3	3	4
Favour for family member / friend / friend or family of colleague	4	6	9	7	11	7	5	2	4	4	2	1
Beneficial to the company	7	*	4	3	2	2	3	1	5	2	4	3
Existing links / partnerships with educational institutions / training providers / job centre	1	1	3	2	3	1	3	1	2	2	4	4
Requirement of qualification / essential part of their studies	*	1	-	*	1	*	1	*	1	1	3	3
ALTRUISTIC	70	74	70	64	66	57	71	67	75	71	85	82
COMPANY BENEFIT	34	32	32	42	22	39	31	42	33	36	30	34
OPPORTUNISTIC	9	16	15	15	19	16	13	8	11	11	8	6

Base: All who have had placements in the last 12 months

* denotes a figure larger than zero but smaller than 0.5; - denotes zero

Table A.3.4 Proportion of employers providing specific types of work inspiration activities in the last 12 months

<i>Row percentages</i>	<i>Unwtd Base:</i>		Held site visits	Visited institutions to discuss careers	Provided mentoring support	Conducted mock interviews	Helped design and/or set coursework	Involved in any enterprise competitions	ANY WORK INSPIRATION ACTIVITY
UK	18,059	%	8	8	7	4	4	3	18
Country									
England	10,032	%	7	7	7	4	3	3	17
Northern Ireland	2,005	%	11	9	9	6	5	3	22
Scotland	4,015	%	9	10	8	4	4	4	21
Wales	2,007	%	8	6	6	4	4	3	17
Size									
2 to 4	4,223	%	5	4	5	3	3	2	13
5 to 9	4,284	%	6	7	6	3	3	3	16
10 to 24	4,068	%	10	10	8	5	4	4	22
25 to 99	3,834	%	16	16	14	9	7	5	33
100+	1,650	%	35	40	22	23	14	13	57
Sector 6									
Primary Sector & Utilities	962	%	10	5	5	1	2	3	16
Manufacturing	1,213	%	7	5	4	2	2	3	13
Construction	1,465	%	2	3	2	1	1	1	6
Trade, Accommodation & Transport	5,753	%	5	4	4	3	2	3	12
Business and Other Services	4,968	%	7	11	8	5	5	3	21
Non-Market Services	3,698	%	20	16	18	9	9	5	37
Sector 12									
Primary Sector & Utilities	962	%	10	5	5	1	2	3	16
Manufacturing	1,213	%	7	5	4	2	2	3	13
Construction	1,465	%	2	3	2	1	1	1	6
Wholesale and Retail	3,580	%	5	4	4	3	1	3	11
Hotels and Restaurants	1,649	%	6	4	6	4	2	3	14
Transport, Storage & Communications	1,165	%	6	9	6	4	3	2	16
Financial services	486	%	5	10	8	6	2	6	19
Business services	2,613	%	6	10	7	5	4	4	19
Public administration	466	%	14	21	10	8	9	4	34
Education	1,122	%	29	18	28	18	17	8	48
Health and social work	2,110	%	17	14	14	6	6	3	33
Community	1,228	%	12	12	11	5	7	3	27

Base: All establishments

Table A.3.5 Difficulties encountered engaging with educational institutions

	Schools	FE or sixth form colleges	Universities
<i>Column percentages</i>	<i>Unwtd</i> <i>Base:</i> 213 %	146 %	67 %
These institutions are not interested in engaging with our organisation / industry	36	22	36
Poor quality candidates / tuition	21	23	8
Difficulties communicating with these institutions - initial contact	15	15	28
Difficulties communicating with these institutions - after initial contact	13	18	19
Too much bureaucracy / red tape	13	7	16
Hard to fit work experience around academic calendar / timetable	5	5	5
Internal issues within the institutions (internal politics, lack of organisation)	3	7	4
Not been approached by these institutions	2	1	-
Very few institutions in the local area	2	-	1

Base: All who have encountered difficulties when engaging with educational institutions

'-' denotes zero

Chapter 4: Employer Perspectives on People Development

Table A.4.1 Proportion of establishments that funded or arranged training for staff over past 12 months (2012 comparison)

Row percentages	Unwtd Base (2012)	Unwtd Base (2014)	%	Any internal training		Any external training		Both internal and external training		ANY TRAINING	
				2012	2014	2012	2014	2012	2014	2012	2014
UK	15,004	18,059	%	63	58	47	45	36	34	73	69
Country											
England	10,003	10,032	%	62	58	47	45	36	34	73	69
Northern Ireland	1,000	2,005	%	63	52	45	45	34	32	74	65
Scotland	2,000	4,015	%	66	63	48	46	39	36	75	72
Wales	2,001	2,007	%	62	55	45	42	35	30	72	67
Size											
2 to 4	3,373	4,223	%	48	42	33	30	22	19	60	54
5 to 9	3,415	4,284	%	69	66	50	49	38	36	82	78
10 to 24	3,326	4,068	%	81	77	66	63	56	52	91	88
25 to 99	3,082	3,834	%	91	89	79	79	73	72	97	96
100+	1,808	1,650	%	97	94	88	87	87	83	99	97
Sector 6											
Primary Sector & Utilities	673	962	%	48	36	46	38	30	22	64	52
Manufacturing	1,166	1,213	%	63	57	43	41	34	32	72	67
Construction	1,033	1,465	%	46	42	45	46	29	28	62	61
Trade, Accommodation & Transport	4,980	5,753	%	63	58	34	34	27	26	70	65
Business and Other Services	4,101	4,968	%	63	59	49	47	38	35	74	71
Non-Market Services	3,051	3,698	%	83	78	81	74	69	63	95	88
Sector 12											
Primary Sector & Utilities		962	%		36		38		22		52
Manufacturing		1,213	%		57		41		32		67
Construction		1,465	%		42		46		28		61
Wholesale and Retail		3,580	%		57		32		25		64
Hotels and Restaurants		1,649	%		62		36		30		69
Transport, Storage & Communications		1,165	%		56		42		30		68
Financial services		486	%		71		52		42		82
Business services		2,613	%		58		46		34		70
Public administration		466	%		81		67		58		90
Education		1,122	%		79		79		68		90
Health and social work		2,110	%		77		73		62		88
Community		1,228	%		59		48		36		71

Base: All establishments

2012 Sector 12 figures have been left blank due to data not being comparable to 2014 sector 14 figures (owing to a change to the weighting approach)

Table A.4.2 Proportion of establishments providing training that used FE, HE or any private providers (2012 comparison)

Row percentages	Unwtd Base (2012)	Unwtd Base (2014)	%	FE Colleges		Higher Education institutions		ANY PUBLIC		ANY PRIVATE	
				2012	2014	2012	2014	2012	2014	2012	2014
UK	12,642	14,501	%	16	12	8	7	19	15	55	60
Country											
England	8,396	8,058	%	16	11	8	6	19	15	55	60
Northern Ireland	846	1,535	%	14	13	9	9	19	18	53	63
Scotland	1,699	3,325	%	18	13	10	8	22	17	56	58
Wales	1,701	1,583	%	19	13	10	8	23	18	52	56
Size											
2 to 4	2,031	2,294	%	10	8	4	3	13	10	46	51
5 to 9	2,808	3,342	%	14	9	7	5	17	12	52	58
10 to 24	3,047	3,600	%	20	14	9	7	24	18	62	67
25 to 99	2,976	3,659	%	29	21	17	15	34	28	72	78
100+	1,780	1,606	%	48	35	38	32	56	46	81	84
Sector 6											
Primary Sector & Utilities	500	591	%	15	14	6	3	18	15	67	67
Manufacturing	981	975	%	17	17	7	5	19	18	53	58
Construction	770	1,053	%	21	15	4	3	22	17	63	70
Trade, Accommodation & Transport	4,008	4,407	%	9	6	3	3	11	8	39	46
Business and Other Services	3,427	4,001	%	15	11	8	6	18	14	57	62
Non-Market Services	2,956	3,474	%	31	21	22	20	39	32	73	77
Sector 12											
Primary Sector & Utilities		591	%		14		3		15		67
Manufacturing		975	%		17		5		18		58
Construction		1,053	%		15		3		17		70
Wholesale and Retail		2,662	%		6		3		8		46
Hotels and Restaurants		1,344	%		7		2		8		46
Transport, Storage & Communications		907	%		8		4		10		58
Financial services		423	%		5		5		8		60
Business services		2,108	%		10		7		14		62
Public administration		436	%		19		21		28		69
Education		1,059	%		22		26		36		80
Health and social work		1,979	%		21		18		30		76
Community		964	%		16		5		19		61

Base: All establishments providing training

2012 Sector 12 figures have been left blank due to data not being comparable to 2014 sector 14 figures (owing to a change to the weighting approach)

Table A.4.3 Proportion of establishments that take up vocational qualifications alongside the qualification levels the establishment has arranged or funded training for

<i>Row percentages</i>	Take up of Vocational Qualifications		Vocational Qualification Level		
	<i>Base (unwtd):</i>	%	<i>Base (unwtd):</i>	Level 2 or lower	Level 3 or higher
				%	%
UK	18,059	26	6,812	51	64
Country					
England	10,032	26	3,868	52	65
Northern Ireland	2,005	22	640	47	67
Scotland	4,015	26	1,526	40	52
Wales	2,007	27	778	48	67
Size					
2 to 4	4,223	14	606	46	51
5 to 9	4,284	26	1,158	47	61
10 to 24	4,068	40	1,690	52	69
25 to 99	3,834	58	2,228	59	76
100+	1,650	69	1,130	61	80
Sector 6					
Primary Sector & Utilities	962	19	244	50	47
Manufacturing	1,213	20	408	54	67
Construction	1,465	25	488	58	50
Trade, Accommodation & Transport	5,753	22	1,758	57	54
Business and Other Services	4,968	24	1,642	39	64
Non-Market Services	3,698	51	2,272	55	84
Sector 12					
Primary Sector & Utilities	962	19	244	50	47
Manufacturing	1,213	20	408	54	67
Construction	1,465	25	488	58	50
Wholesale and Retail	3,580	20	958	51	53
Hotels and Restaurants	1,649	27	643	70	60
Transport, Storage & Communications	1,165	19	309	38	49
Financial services	486	31	180	25	50
Business services	2,613	22	846	33	63
Public administration	466	52	286	50	79
Education	1,122	56	651	46	82
Health and social work	2,110	49	1,335	61	85
Community	1,228	30	464	61	74

Take up of vocational qualifications base: All establishments

Vocational qualification level base: All who have arranged training in the past 12 months that leads to vocational qualifications

Table A.4.4 Proportion of establishments that agree or strongly agree with each statement regarding the features of vocational qualifications

<i>Row percentages</i>	<i>Unwtd Base:</i>		Can be adapted to business needs	Provide staff with a suitable balance of work and study	Offer good value for money	Cover all skills needed by the company
UK	6,812	%	82	82	74	72
Country						
England	3,868	%	82	82	73	72
Northern Ireland	640	%	86	86	81	80
Scotland	1,526	%	82	82	74	73
Wales	778	%	82	83	77	75
Size						
2 to 4	606	%	81	80	70	70
5 to 9	1,158	%	82	83	72	71
10 to 24	1,690	%	85	83	75	73
25 to 99	2,228	%	81	82	78	75
100+	1,130	%	84	85	78	73
Sector 6						
Primary Sector & Utilities	244	%	81	73	72	72
Manufacturing	408	%	79	81	78	68
Construction	488	%	75	71	66	70
Trade, Accommodation & Transport	1,758	%	86	84	74	74
Business and Other Services	1,642	%	81	82	72	68
Non-Market Services	2,272	%	82	86	78	78
Sector 12						
Primary Sector & Utilities	244	%	81	73	72	72
Manufacturing	408	%	79	81	78	68
Construction	488	%	75	71	66	70
Wholesale and Retail	958	%	85	83	70	71
Hotels and Restaurants	643	%	91	88	82	78
Transport, Storage & Communications	309	%	76	78	72	64
Financial services	180	%	81	88	75	69
Business services	846	%	82	80	70	66
Public administration	286	%	86	88	72	76
Education	651	%	80	82	78	74
Health and social work	1,335	%	82	87	79	80
Community	464	%	83	85	77	76

Base: All who have arranged training in the past 12 months that leads to vocational qualifications

Table A.4.5 Proportion of establishments that agree or strongly agree with each statement regarding the impact of vocational qualifications for establishments

<i>Row percentages</i>	<i>Unwtd Base:</i>		The ability of staff to do their jobs better	Better business performance	Improved productivity	Improved staff commitment	Improved staff retention
UK	6,812	%	92	86	83	82	78
Country							
England	3,868	%	92	86	83	82	78
Northern Ireland	640	%	94	90	84	86	84
Scotland	1,526	%	90	86	79	82	78
Wales	778	%	90	86	84	83	76
Size							
2 to 4	606	%	91	85	81	77	73
5 to 9	1,158	%	91	85	83	84	78
10 to 24	1,690	%	93	88	83	84	81
25 to 99	2,228	%	92	88	85	86	82
100+	1,130	%	92	88	83	87	82
Sector 6							
Primary Sector & Utilities	244	%	93	82	84	82	67
Manufacturing	408	%	94	89	86	84	76
Construction	488	%	86	80	71	68	69
Trade, Accommodation & Transport	1,758	%	92	87	85	83	80
Business and Other Services	1,642	%	92	86	83	83	79
Non-Market Services	2,272	%	92	89	84	86	81
Sector 12							
Primary Sector & Utilities	244	%	93	82	84	82	67
Manufacturing	408	%	94	89	86	84	76
Construction	488	%	86	80	71	68	69
Wholesale and Retail	958	%	92	85	83	82	81
Hotels and Restaurants	643	%	92	91	89	88	82
Transport, Storage & Communications	309	%	90	84	84	77	70
Financial services	180	%	92	87	81	85	83
Business services	846	%	93	86	82	81	78
Public administration	286	%	93	90	84	85	79
Education	651	%	92	90	84	86	78
Health and social work	1,335	%	93	89	84	86	83
Community	464	%	92	85	83	87	81

Base: All who have arranged training in the past 12 months that leads to vocational qualifications

Table A.4.6 Proportion of employers who sought external help on their skills and training-related issues in the last 12 months

<i>Row percentages</i>	<i>Unwtd Base:</i>		Sought or received advice on skills and training related issues	Experienced skills and training related issues but have NOT sought or received advice
UK	18,059	%	28	5
Country				
England	10,032	%	27	5
Northern Ireland	2,005	%	29	6
Scotland	4,015	%	28	5
Wales	2,007	%	34	5
Size				
2 to 4	4,223	%	22	5
5 to 9	4,284	%	28	5
10 to 24	4,068	%	36	5
25 to 99	3,834	%	42	5
100+	1,650	%	49	4
Sector 6				
Primary Sector & Utilities	962	%	32	4
Manufacturing	1,213	%	25	5
Construction	1,465	%	29	6
Trade, Accommodation & Transport	5,753	%	20	4
Business and Other Services	4,968	%	29	4
Non-Market Services	3,698	%	46	6
Sector 12				
Primary Sector & Utilities	962	%	32	4
Manufacturing	1,213	%	25	5
Construction	1,465	%	29	6
Wholesale and Retail	3,580	%	18	5
Hotels and Restaurants	1,649	%	24	3
Transport, Storage & Communications	1,165	%	24	6
Financial services	486	%	27	4
Business services	2,613	%	28	4
Public administration	466	%	39	4
Education	1,122	%	51	6
Health and social work	2,110	%	44	7
Community	1,228	%	33	4

Base: All establishments

Table A.4.7 Specific sources of advice employers used to resolve skills and training related issues in the last 12 months (2012 comparison)

	UK		England		Northern Ireland		Scotland		Wales	
	2012	2014	2012	2014	2012	2014	2012	2014	2012	2014
<i>Unwtd base:</i>	15,004	18,059	10,003	10,032	1,000	2,005	2,000	4,015	2,001	2,007
<i>Column percentages</i>	%	%	%	%	%	%	%	%	%	%
Sought ANY external advice	31	28	31	27	27	29	28	28	31	34
Where establishments have received advice from										
A Professional body	12	11	12	11	11	11	12	12	10	11
A commercial or not-for-profit training provider	12	11	13	11	12	11	11	11	11	12
An FE college	11	7	11	7	9	7	10	7	12	7
A consultancy	6	6	6	6	5	7	6	6	6	6
Other employers in your industry or your locality	6	6	6	6	5	6	6	5	5	5
Local Authority	8	6	8	5	8	7	9	7	8	7
Gov.uk	n/a	4	n/a	4	n/a	n/a	n/a	n/a	n/a	5
A university	4	3	4	3	5	4	4	4	5	4
A Local Enterprise Partnership (or LEP)	4	2	4	2	4	n/a	3	n/a	2	n/a
Chamber of Commerce	3	2	3	2	2	2	3	2	1	1
A Trade union	1	1	1	1	2	2	1	2	1	2
A Sector Skills Council (SSC)	2	1	2	1	3	2	2	1	3	1
Welsh Government	1	1	n/a	n/a	n/a	n/a	n/a	n/a	13	13
Skills Development Scotland	*	*	n/a	n/a	n/a	n/a	5	5	n/a	n/a
Business Gateway	*	*	n/a	n/a	n/a	n/a	5	4	n/a	n/a
Scottish Enterprise	*	*	n/a	n/a	n/a	n/a	4	4	n/a	n/a
Careers Wales	*	*	n/a	n/a	n/a	n/a	n/a	n/a	6	6
Suppliers	*	*	*	*	*	-	*	*	*	*
Local Enterprise Agency	*	*	n/a	n/a	n/a	n/a	n/a	n/a	4	4
Invest Northern Ireland	*	*	n/a	n/a	7	6	n/a	n/a	n/a	n/a
Highlands and Islands Enterprise	*	*	n/a	n/a	n/a	n/a	2	1	n/a	n/a
NI Business Information	*	*	n/a	n/a	3	3	n/a	n/a	n/a	n/a
Skills Solutions DEL	*	*	n/a	n/a	1	3	n/a	n/a	n/a	n/a
Business Coaching for Growth (BCG)	1	n/a	2	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Business Link	5	n/a	5	n/a	n/a	n/a	n/a	n/a	3	n/a
TRAINING PROVIDERS	20	16	20	16	17	17	17	16	19	17
COLLECTIVES AND REPRESENTATIVES	16	14	17	14	14	15	16	16	13	14
PUBLIC SECTOR	15	10	14	9	15	13	15	12	19	20
OTHER PRIVATE	7	6	7	6	5	7	7	6	6	6

Base: All establishments

'*' denotes a figure larger than zero but smaller than 0.5; '-' denotes zero;

'n/a' denotes a source not available in that country

Table A.4.8 Employer's engagement with training providers in the last 12 months

<i>Row percentages</i>	<i>Unwtd Base:</i>		Pro-actively contacted an external training provider regarding qualifications, training courses & opportunities	Discussed the progress of staff receiving training with an external training provider on a regular basis	Discussed or been involved in the design of new qualifications and training opportunities
UK	10,506	%	57	39	15
Country					
England	5,900	%	57	39	15
Northern Ireland	1,113	%	54	37	18
Scotland	2,382	%	57	36	14
Wales	1,111	%	61	45	18
Size					
2 to 4	1,313	%	52	30	12
5 to 9	2,120	%	53	35	12
10 to 24	2,647	%	60	43	16
25 to 99	3,002	%	66	51	21
100+	1,424	%	73	57	34
Sector 6					
Primary Sector & Utilities	461	%	64	29	13
Manufacturing	731	%	62	41	12
Construction	843	%	70	41	10
Trade, Accommodation & Transport	2,571	%	41	36	11
Business and Other Services	2,901	%	58	36	16
Non-Market Services	2,999	%	67	48	22
Sector 12					
Primary Sector & Utilities	461	%	64	29	13
Manufacturing	731	%	62	41	12
Construction	843	%	70	41	10
Wholesale and Retail	1,476	%	38	32	9
Hotels and Restaurants	827	%	44	41	14
Transport, Storage & Communications	615	%	59	37	13
Financial services	280	%	41	32	12
Business services	1,555	%	60	35	16
Public administration	343	%	58	43	25
Education	931	%	72	48	23
Health and social work	1,725	%	66	48	21
Community	719	%	54	41	18

Base: All establishments who have provided external training for employees in the past 12 months

Table A.4.9 Benefits of collaborating with other employers on training and skills development practices in the last 12 months

Row percentages	Unwtd Base:		Share best practice	Stay updated on latest (training) developments	Plugs skills gaps	Saves money / more cost effective	Benefits are tailored to organisation's needs	Ensures we don't fall behind with competitors
UK	3,969	%	50	19	16	13	13	7
Country								
England	2,207	%	50	19	16	13	13	7
Northern Ireland	407	%	46	17	18	15	8	5
Scotland	936	%	54	18	17	16	11	6
Wales	419	%	48	17	14	13	13	8
Size								
2 to 4	571	%	45	20	16	10	12	8
5 to 9	741	%	50	20	17	14	14	7
10 to 24	933	%	55	17	17	14	13	7
25 to 99	1,171	%	54	15	15	17	12	5
100+	553	%	62	16	14	20	11	7
Sector 6								
Primary Sector & Utilities	157	%	44	13	17	21	13	7
Manufacturing	176	%	42	18	19	12	11	12
Construction	241	%	38	22	16	19	14	7
Trade, Accommodation & Transport	817	%	47	22	17	11	12	6
Business and Other Services	1,075	%	49	17	15	9	13	9
Non-Market Services	1,503	%	59	18	15	18	13	6
Sector 12								
Primary Sector & Utilities	157	%	44	13	17	21	13	7
Manufacturing	176	%	42	18	19	12	11	12
Construction	241	%	38	22	16	19	14	7
Wholesale and Retail	446	%	48	23	16	8	13	6
Hotels and Restaurants	279	%	48	20	21	13	9	7
Transport, Storage & Communications	219	%	50	17	16	12	11	5
Financial services	80	%	55	27	12	15	13	4
Business services	556	%	45	16	13	9	14	11
Public administration	196	%	63	16	14	18	16	6
Education	547	%	59	16	15	22	10	7
Health and social work	760	%	59	20	16	15	15	5
Community	312	%	54	19	19	11	13	6

Base: Establishments who have worked with another employer on training and skills development practices

'*' denotes a figure larger than zero but smaller than 0.5

Table A.4.10 Proportion of establishments that are aware of and used the National Occupational Standards (2012 comparison)

Row percentages	Unwtd Base (2012)	Unwtd Base (2014)		ANY AWARENESS		USED IN ANY WAY	
				2012	2014	2012	2014
UK	15,004	18,059	%	40	39	9	10
Country							
England	10,003	10,032	%	40	39	9	9
Northern Ireland	1,000	2,005	%	37	42	10	11
Scotland	2,000	4,015	%	43	40	11	10
Wales	2,001	2,007	%	41	40	11	13
Size							
2 to 4	3,373	4,223	%	37	37	7	7
5 to 9	3,415	4,284	%	40	39	9	9
10 to 24	3,326	4,068	%	44	43	12	13
25 to 99	3,082	3,834	%	50	48	17	18
100+	1,808	1,650	%	55	52	18	19
Sector 6							
Primary Sector & Utilities	673	962	%	38	45	6	8
Manufacturing	1,166	1,213	%	36	34	5	5
Construction	1,033	1,465	%	37	42	6	9
Trade, Accommodation & Transport	4,980	5,753	%	37	35	6	6
Business and Other Services	4,101	4,968	%	39	37	8	8
Non-Market Services	3,051	3,698	%	58	54	26	25
Sector 12							
Primary Sector & Utilities		962	%		45		8
Manufacturing		1,213	%		34		5
Construction		1,465	%		42		9
Wholesale and Retail		3,580	%		34		6
Hotels and Restaurants		1,649	%		39		8
Transport, Storage & Communications		1,165	%		34		5
Financial services		486	%		39		7
Business services		2,613	%		36		8
Public administration		466	%		59		29
Education		1,122	%		51		25
Health and social work		2,110	%		55		25
Community		1,228	%		44		12

Base: All establishments

2012 Sector 12 figures have been left blank due to data not being comparable to 2014 sector 14 figures (owing to a change to the weighting approach)

Table A.4.11 Profile of establishments that made use of the National Occupational Standards

	UK Business Population	Made use of the National Occupational Standards	
		YES	NO
<i>Unwtd Base:</i>	18,059	2,392	15,315
<i>Column percentages</i>	%	%	%
UK	100	10	89
Country			
England	84	82	84
Northern Ireland	3	3	3
Scotland	8	8	8
Wales	5	6	4
Size			
2 to 4	51	38	53
5 to 9	22	21	22
10 to 24	16	21	15
25 to 99	9	16	8
100+	2	4	2
Sector 6			
Primary Sector & Utilities	6	5	6
Manufacturing	6	3	6
Construction	9	8	9
Trade, Accommodation & Transport	33	23	34
Business and Other Services	34	30	35
Non-Market Services	12	31	10
Sector 12			
Primary Sector & Utilities	6	5	6
Manufacturing	6	3	6
Construction	9	8	9
Wholesale and Retail	21	13	22
Hotels and Restaurants	9	7	9
Transport, Storage & Communications	7	4	8
Financial services	2	2	2
Business services	21	17	21
Public administration	1	3	1
Education	3	9	3
Health and social work	7	19	6
Community	7	9	7
Organisation Type			
Seeking a profit	86	73	88
Voluntary sector	9	16	8
Public sector	5	11	4

Base: All establishments

Table A.4.12 Proportion of establishments that are aware of and accredited with Investors in People (2012 comparison)

Row percentages	Unwtd Base (2012)	Unwtd Base (2014)	%	Aware of IiP		Accredited with IiP	
				2012	2014	2012	2014
UK	15,004	18,059	%	75	74	16	14
Country							
England	10,003	10,032	%	75	74	16	14
Northern Ireland	1,000	2,005	%	73	71	14	13
Scotland	2,000	4,015	%	75	75	18	16
Wales	2,001	2,007	%	70	71	17	17
Size							
2 to 4	3,373	4,223	%	68	70	8	7
5 to 9	3,415	4,284	%	77	73	17	15
10 to 24	3,326	4,068	%	83	79	26	24
25 to 99	3,082	3,834	%	90	88	37	31
100+	1,808	1,650	%	94	93	46	40
Sector 6							
Primary Sector & Utilities	673	962	%	63	61	8	5
Manufacturing	1,166	1,213	%	78	75	11	8
Construction	1,033	1,465	%	70	74	9	7
Trade, Accommodation & Transport	4,980	5,753	%	68	66	17	16
Business and Other Services	4,101	4,968	%	78	80	14	13
Non-Market Services	3,051	3,698	%	92	86	32	29
Sector 12							
Primary Sector & Utilities		962	%		61		5
Manufacturing		1,213	%		75		8
Construction		1,465	%		74		7
Wholesale and Retail		3,580	%		64		16
Hotels and Restaurants		1,649	%		66		17
Transport, Storage & Communications		1,165	%		78		10
Financial services		486	%		82		34
Business services		2,613	%		82		11
Public administration		466	%		94		47
Education		1,122	%		88		25
Health and social work		2,110	%		84		28
Community		1,228	%		73		16

Base: All establishments

2012 Sector 12 figures have been left blank due to data not being comparable to 2014 sector 14 figures (owing to a change to the weighting approach)

Chapter 5: Employer Perspectives on Apprenticeships

Table A.5.1 Number offering formal Apprenticeships within the 5-9 size band, by sector (2012 comparison)

<i>Row percentages</i>	2012		2014	
	<i>Base (unwtd):</i>	% offering formal Apprenticeships	<i>Base (unwtd):</i>	% offering formal Apprenticeships
Sector 6				
Primary Sector & Utilities	151	8	203	10
Manufacturing	236	16	239	23
Construction	274	21	412	27
Trade, Accommodation & Transport	1,331	10	1,512	10
Business and Other Services	1,011	12	1,404	16
Non-Market Services	412	18	514	16

Base: All employers within the 5-9 size band

Table A.5.2a Proportion of establishments that have or offer apprenticeships, and whether these are formal Apprenticeships (2014)

Row percentages	Unwtd Base:		Currently have / offer any type of apprenticeship	Currently have FORMAL Apprentices	Offer FORMAL Apprenticeships	Currently have / offer FORMAL Apprenticeships	Currently have / offer INFORMAL apprenticeships
UK	18,059	%	16	10	5	15	1
Country							
England	10,032	%	17	10	5	15	1
Northern Ireland	2,005	%	11	5	4	9	2
Scotland	4,015	%	14	9	3	12	2
Wales	2,007	%	15	9	3	13	2
Size							
2 to 4	4,223	%	9	5	3	8	1
5 to 9	4,284	%	16	9	5	15	2
10 to 24	4,068	%	23	14	7	21	2
25 to 99	3,834	%	33	23	8	31	2
100+	1,650	%	51	43	6	49	2
Sector 6							
Primary Sector & Utilities	962	%	8	4	3	7	1
Manufacturing	1,213	%	22	13	5	19	3
Construction	1,465	%	20	14	4	19	1
Trade, Accommodation & Transport	5,753	%	14	8	5	12	1
Business and Other Services	4,968	%	16	9	5	14	1
Non-Market Services	3,698	%	23	15	6	21	1
Sector 12							
Primary Sector & Utilities	962	%	8	4	3	7	1
Manufacturing	1,213	%	22	13	5	19	3
Construction	1,465	%	20	14	4	19	1
Wholesale and Retail	3,580	%	14	8	4	12	2
Hotels and Restaurants	1,649	%	13	7	5	11	1
Transport, Storage & Communications	1,165	%	16	9	5	14	1
Financial services	486	%	13	7	5	12	1
Business services	2,613	%	14	8	5	13	2
Public administration	466	%	24	16	5	21	3
Education	1,122	%	31	23	6	30	2
Health and social work	2,110	%	19	11	6	18	1
Community	1,228	%	21	14	6	20	1

Base: All establishments

** denotes a figure larger than zero but smaller than 0.5

Table A.5.2b Proportion of establishments that have or offer apprenticeships, and whether these are formal Apprenticeships (2012)

<i>Row percentages</i>	<i>Unwtd Base:</i>		Currently have / offer any type of apprenticeship	Currently have FORMAL Apprentices	Offer FORMAL Apprenticeships	Currently have / offer FORMAL Apprenticeships	Currently have / offer INFORMAL apprenticeships
UK	15,004	%	15	9	5	13	2
Country							
England	10,003	%	15	9	5	14	2
Northern Ireland	1,000	%	13	6	5	10	2
Scotland	2,000	%	13	9	3	12	1
Wales	2,001	%	13	8	4	12	1
Size							
2 to 4	3,373	%	10	5	3	8	1
5 to 9	3,415	%	15	8	5	13	2
10 to 24	3,326	%	23	13	7	21	2
25 to 99	3,082	%	29	19	8	27	2
100+	1,808	%	48	38	8	46	1
Sector 6							
Primary Sector & Utilities	673	%	8	4	3	6	2
Manufacturing	1,166	%	20	13	5	18	2
Construction	1,033	%	21	12	7	19	2
Trade, Accommodation & Transport	4,980	%	13	7	5	11	2
Business and Other Services	4,101	%	14	8	4	12	2
Non-Market Services	3,051	%	21	14	7	21	1

Base: All establishments

*** denotes a figure larger than zero but smaller than 0.5*

Table A.5.3 Proportion of establishments that are aware of specific Government-recognised Apprenticeship schemes by country

	UK	England	Northern Ireland	Scotland	Wales
<i>Unwtd Base:</i>	18,059	10,032	2,005	4,015	2,007
<i>Column percentages</i>	%	%	%	%	%
Apprenticeships for those aged 25 plus	24	24	21	23	26
EN/NI/SC: Advanced level Apprenticeships	24	25	21	23	n/a
EN/NI/SC: Intermediate level Apprenticeships	22	23	19	21	n/a
Higher Apprenticeships	22	21	22	19	28
SC: Modern Apprenticeships	5	n/a	n/a	60	n/a
SC: Technical Apprenticeships	2	n/a	n/a	29	n/a
SC: Professional Apprenticeships	2	n/a	n/a	21	n/a
WL: Apprenticeships	4	n/a	n/a	n/a	80
WL: Foundation Apprenticeships	1	n/a	n/a	n/a	30
WL: Pathways to Apprenticeship	1	n/a	n/a	n/a	22
AWARE OF APPRENTICESHIPS BUT NOT HEARD OF ANY OF THE SPECIFIC SCHEMES	53	58	59	26	14
NOT AWARE OF APPRENTICESHIPS OVERALL	2	2	4	2	2

Base: All establishments

'n/a' denotes country specific scheme

Table A.5.4 Proportion of establishments that are aware of the following Apprenticeship schemes by country

	UK	England	Northern Ireland	Scotland	Wales
<i>Column percentages</i>	<i>Unwtd Base:</i> 18,059 %	10,032 %	2,005 %	4,015 %	2,007 %
EN: Apprenticeship Grant for Employers (AGE 16-24)	33	40	n/a	n/a	n/a
EN: National Apprenticeship Services (NAS)	25	30	n/a	n/a	n/a
EN: Apprenticeship Training Agencies	22	26	n/a	n/a	n/a
EN: Apprenticeship vacancies online	17	20	n/a	n/a	n/a
Group Training Associations	8	8	8	11	9
WL: Young Recruits Programme	1	n/a	n/a	n/a	24
WL: Online Apprenticeship Matching Service	*	n/a	n/a	n/a	9
SC: Skills Development Scotland	5	n/a	n/a	59	n/a
SC: Adopt an Apprentice	1	n/a	n/a	9	n/a
NI: Apprenticeships NI	1	n/a	41	n/a	n/a
AWARE OF APPRENTICESHIPS BUT NOT HEARD OF ANY OF THE SPECIFIC SCHEMES	40	38	53	35	66
NOT AWARE OF APPRENTICESHIPS OVERALL	2	2	4	2	2

Base: All establishments

'n/a' denotes country specific scheme; '' denotes a figure larger than zero but smaller than 0.5*

Table A.5.5 Proportion of establishments that made use of specific Government-recognised Apprenticeship schemes by country

	UK	England	Northern Ireland	Scotland	Wales
<i>Column percentages</i>	<i>Unwtd Base:</i> 18,059 %	10,032 %	2,005 %	4,015 %	2,007 %
EN: Apprenticeship Training Agencies	5	6	n/a	n/a	n/a
EN: Apprenticeship Grant for Employers (AGE 16-24)	5	6	n/a	n/a	n/a
EN: National Apprenticeship Services (NAS)	4	4	n/a	n/a	n/a
EN: Apprenticeship vacancies online	2	2	n/a	n/a	n/a
Group Training Associations	1	1	1	1	1
WL: Young Recruits Programme	*	n/a	n/a	n/a	3
WL: Online Apprenticeship Matching Service	*	n/a	n/a	n/a	1
SC: Skills Development Scotland	1	n/a	n/a	9	n/a
SC: Adopt an Apprentice	*	n/a	n/a	*	n/a
NI: Apprenticeships NI	*	n/a	3	n/a	n/a
AWARE OF APPRENTICESHIPS BUT NOT USED ANY OF THE SPECIFIC SCHEMES	88	87	96	90	96
AWARE OF APPRENTICESHIPS BUT NOT HEARD OF ANY OF THE SPECIFIC SCHEMES	40	38	53	35	66
NOT AWARE OF APPRENTICESHIPS OVERALL	2	2	4	2	2

Base: All establishments

*'n/a' denotes country specific scheme; '**' denotes a figure larger than zero but smaller than 0.5*

Table A.5.6 Age ranges that establishments currently offer Apprenticeships to (2012 comparison)

Row percentages	Unwtd Base (2012)	Unwtd Base (2014)	16 - 18 year olds		19 - 24 year olds		Those aged 25 or over		ANY YOUNG PEOPLE (AGED UNDER 25)		
			2012	2014	2012	2014	2012	2014	2012	2014	
UK	2,985	3,685	%	74	74	74	75	47	44	93	94
Country											
England	2,126	2,352	%	74	74	74	75	47	44	92	94
Northern Ireland	146	255	%	80	73	80	75	47	39	95	94
Scotland	367	715	%	79	78	67	72	36	34	93	95
Wales	346	363	%	73	71	80	80	50	46	95	94
Size											
2 to 4	265	335	%	71	74	67	65	41	35	89	93
5 to 9	424	617	%	77	76	67	73	40	43	94	94
10 to 24	662	845	%	78	71	78	80	51	47	94	94
25 to 99	814	1,100	%	71	73	82	82	55	50	94	96
100+	820	788	%	77	77	88	87	58	57	97	96
Sector 6											
Primary Sector & Utilities	76	103	%	69	68	73	67	43	47	99	87
Manufacturing	352	376	%	79	80	75	76	48	31	96	94
Construction	307	428	%	74	77	65	67	35	35	89	93
Trade, Accommodation & Transport	820	1,003	%	77	76	73	74	49	46	93	95
Business and Other Services	677	887	%	74	73	72	73	42	40	91	95
Non-Market Services	753	888	%	70	69	84	86	58	57	94	95
Sector 12											
Primary Sector & Utilities		103	%		68		67		47		87
Manufacturing		376	%		80		76		31		94
Construction		428	%		77		67		35		93
Wholesale and Retail		564	%		78		71		37		95
Hotels and Restaurants		338	%		69		82		71		94
Transport, Storage & Communications		192	%		76		70		36		94
Financial services		65	%		54		85		64		93
Business services		481	%		69		76		42		93
Public administration		122	%		74		74		45		92
Education		347	%		77		87		53		96
Health and social work		419	%		61		87		63		94
Community		250	%		84		69		35		98

Base: All who currently have or offer formal Apprenticeships

2012 Sector 12 figures have been left blank due to data not being comparable to 2014 sector 14 figures (owing to a change to the weighting approach)

Table A.5.7 Proportion of establishments who have or offer Apprenticeships to existing employees, specifically recruited individuals, or both (2012 comparison)

Row percentages	Unwtd Base (2012)	Unwtd Base (2014)	%	Existing employees		New employees recruited specifically as apprentices		Both	
				2012	2014	2012	2014	2012	2014
UK	2,985	3,685	%	9	8	49	50	39	41
Country									
England	2,126	2,352	%	9	7	49	50	39	41
Northern Ireland	146	255	%	5	9	48	38	45	52
Scotland	367	715	%	8	7	48	54	41	37
Wales	346	363	%	11	12	44	41	43	43
Size									
2 to 4	265	335	%	5	6	58	55	32	38
5 to 9	424	617	%	10	5	48	51	41	41
10 to 24	662	845	%	10	9	46	45	43	44
25 to 99	814	1,100	%	14	10	41	47	43	43
100+	820	788	%	13	12	40	47	46	41
Sector 6									
Primary Sector & Utilities	76	103	%	4	13	45	43	51	40
Manufacturing	352	376	%	3	4	61	54	33	42
Construction	307	428	%	8	7	51	55	35	37
Trade, Accommodation & Transport	820	1,003	%	16	13	40	41	41	44
Business and Other Services	677	887	%	5	4	59	55	35	39
Non-Market Services	753	888	%	11	6	39	48	48	44
Sector 12									
Primary Sector & Utilities		103	%		13		43		40
Manufacturing		376	%		4		54		42
Construction		428	%		7		55		37
Wholesale and Retail		564	%		12		47		39
Hotels and Restaurants		338	%		20		19		60
Transport, Storage & Communications		192	%		3		63		30
Financial services		65	%		32		35		32
Business services		481	%		3		60		36
Public administration		122	%		11		57		33
Education		347	%		4		48		47
Health and social work		419	%		8		46		45
Community		250	%		2		46		50

Base: All who currently have or offer formal Apprenticeships

2012 Sector 12 figures have been left blank due to data not being comparable to 2014 sector 14 figures (owing to a change to the weighting approach)

Table A.5.8a Proportion of establishments who *have or offer* short duration Apprenticeships

<i>Row percentages</i>	<i>Unwtd Base:</i>		Less than 6 months	At least 6 months but less than 12	LESS THAN 12 MONTHS
UK	3,685	%	2	10	12
Country					
England	2,352	%	2	10	12
Northern Ireland	255	%	3	8	10
Scotland	715	%	1	10	11
Wales	363	%	2	10	12
Size					
2 to 4	335	%	2	5	7
5 to 9	617	%	2	11	13
10 to 24	845	%	2	12	13
25 to 99	1,100	%	2	14	15
100+	788	%	*	14	14
Sector 6					
Primary Sector & Utilities	103	%	*	11	11
Manufacturing	376	%	*	5	5
Construction	428	%	*	1	2
Trade, Accommodation & Transport	1,003	%	2	14	16
Business and Other Services	887	%	3	9	12
Non-Market Services	888	%	1	13	15
Sector 12					
Primary Sector & Utilities	103	%	*	11	11
Manufacturing	376	%	*	5	5
Construction	428	%	*	1	2
Wholesale and Retail	564	%	2	11	13
Hotels and Restaurants	338	%	5	24	28
Transport, Storage & Communications	192	%	1	11	12
Financial services	65	%	4	27	31
Business services	481	%	4	7	11
Public administration	122	%	2	8	10
Education	347	%	1	9	10
Health and social work	419	%	2	17	19
Community	250	%	1	8	9

Base: All who currently have or offer formal Apprenticeships

*** denotes a figure larger than zero but smaller than 0.5*

Table A.5.8b Proportion of establishments who have short duration Apprenticeships

<i>Row percentages</i>	<i>Unwtd Base:</i>		Less than 6 months	At least 6 months but less than 12	LESS THAN 12 MONTHS
UK	2,670	%	1	8	9
Country					
England	1,707	%	1	8	9
Northern Ireland	150	%	1	6	7
Scotland	540	%	*	9	9
Wales	273	%	1	10	11
Size					
2 to 4	207	%	1	2	3
5 to 9	395	%	1	9	10
10 to 24	570	%	1	9	11
25 to 99	818	%	1	11	13
100+	680	%	*	12	12
Sector 6					
Primary Sector & Utilities	64	%	-	3	3
Manufacturing	306	%	-	4	4
Construction	342	%	*	1	1
Trade, Accommodation & Transport	643	%	1	10	11
Business and Other Services	646	%	2	8	10
Non-Market Services	669	%	1	11	12
Sector 12					
Primary Sector & Utilities	64	%	-	3	3
Manufacturing	306	%	-	4	4
Construction	342	%	*	1	1
Wholesale and Retail	354	%	*	7	7
Hotels and Restaurants	213	%	4	22	26
Transport, Storage & Communications	140	%	2	9	10
Financial services	35	%	3	19	22
Business services	357	%	2	7	9
Public administration	103	%	-	7	7
Education	284	%	-	9	9
Health and social work	282	%	1	14	15
Community	190	%	1	7	8

Base: All who currently have formal Apprenticeships

*** denotes a figure larger than zero but smaller than 0.5; '-' denotes zero*

Table A.5.9 Proportion of establishments who provide specific types of training to their Apprentices (2012 comparison)

	Unwtd Base (2012)	Unwtd Base (2014)	%	Only from a training provider		Only formal training from their employer		Both		No training offered	
				2012	2014	2012	2014	2012	2014	2012	2014
<i>Row percentages</i>											
UK	2,985	3,685	%	17	18	5	8	73	70	2	3
Country											
England	2,126	2,352	%	17	19	4	8	74	70	2	2
Northern Ireland	146	255	%	28	14	8	13	55	67	8	5
Scotland	367	715	%	13	14	13	9	69	72	3	5
Wales	346	363	%	14	21	10	9	73	64	1	4
Size											
2 to 4	265	335	%	19	21	6	9	69	65	3	3
5 to 9	424	617	%	17	17	6	10	73	69	3	3
10 to 24	662	845	%	17	16	5	8	74	73	2	2
25 to 99	814	1,100	%	17	17	3	6	76	73	2	3
100+	820	788	%	13	18	4	5	79	74	1	2
Sector 6											
Primary Sector & Utilities	76	103	%	31	24	3	6	60	63	-	6
Manufacturing	352	376	%	22	19	7	7	64	66	4	6
Construction	307	428	%	20	25	9	10	62	61	7	5
Trade, Accommodation & Transport	820	1,003	%	17	15	5	10	72	73	2	2
Business and Other Services	677	887	%	12	19	6	8	79	69	1	3
Non-Market Services	753	888	%	18	16	2	6	77	76	1	1
Sector 12											
Primary Sector & Utilities		103	%		24		6		63		6
Manufacturing		376	%		19		7		66		6
Construction		428	%		25		10		61		5
Wholesale and Retail		564	%		13		10		74		2
Hotels and Restaurants		338	%		14		11		74		*
Transport, Storage & Communications		192	%		24		3		68		5
Financial services		65	%		22		10		65		2
Business services		481	%		22		11		61		3
Public administration		122	%		16		3		74		3
Education		347	%		19		6		72		2
Health and social work		419	%		14		6		79		1
Community		250	%		12		4		83		1

Base: All who currently have or offer formal Apprenticeships

** denotes a figure larger than zero but smaller than 0.5; '-' denotes zero

2012 Sector 12 figures have been left blank due to data not being comparable to 2014 sector 14 figures (owing to a change to the weighting approach)

Table A.5.10 Average number of hours a typical Apprentice spends per week on activities that are not part of their job (such as training, studying or meeting with their supervisor)

<i>Row percentages</i>	<i>Unwtd Base:</i>		Less than 1 hour	1 - 2 hours	3 - 5 hours	6 - 10 hours	11 - 15 hours	16 or more hours	2 HOURS OR LESS	MEAN
UK	2,670	%	5	21	22	36	4	7	26	7
Country										
England	1,707	%	5	21	22	36	4	6	26	6.8
Northern Ireland	150	%	7	13	11	36	8	18	20	9.1
Scotland	540	%	5	23	24	29	4	11	28	7.4
Wales	273	%	4	21	18	38	8	8	25	8.4
Size										
2 to 4	207	%	7	20	16	39	6	7	28	7.4
5 to 9	395	%	3	20	25	39	1	6	23	6.6
10 to 24	570	%	6	25	24	31	5	7	31	6.9
25 to 99	818	%	4	23	25	34	3	5	27	6.1
100+	680	%	2	17	20	35	7	9	18	8.5
Sector 6										
Primary Sector & Utilities	64	%	4	13	24	45	3	10	17	7.6
Manufacturing	306	%	3	17	18	44	7	7	20	7.8
Construction	342	%	6	14	14	50	6	7	20	7.6
Trade, Accommodation & Transport	643	%	6	26	25	28	4	6	32	6.2
Business and Other Services	646	%	5	19	21	39	5	8	24	7.4
Non-Market Services	669	%	3	27	26	28	1	6	31	6.4
Sector 12										
Primary Sector & Utilities	64	%	4	13	24	45	3	10	17	7.6
Manufacturing	306	%	3	17	18	44	7	7	20	7.8
Construction	342	%	6	14	14	50	6	7	20	7.6
Wholesale and Retail	354	%	7	25	23	28	5	6	32	6
Hotels and Restaurants	213	%	7	31	30	19	2	9	38	6.3
Transport, Storage & Communications	140	%	5	13	28	45	3	2	18	6.5
Financial services	35	%	-	31	52	14	3	-	31	3.9
Business services	357	%	5	23	17	36	5	9	28	7.5
Public administration	103	%	-	25	27	34	1	2	25	6.1
Education	284	%	4	27	28	27	1	4	32	5.5
Health and social work	282	%	3	28	25	28	2	9	31	7.3
Community	190	%	4	15	18	44	7	10	18	8.2

Base: All who currently have formal Apprenticeships

Figures in italics denote a base size smaller than 50: figures should be treated with caution.

'-' denotes zero

Table A.5.11 Awareness and knowledge of Apprenticeships among employers not offering formal Apprenticeships

<i>Row percentages</i>	<i>Unwtd Base:</i>		I have not heard of apprenticeships	I have heard the term but do not know what is involved	I am aware of them and have some knowledge of what is involved	I am aware of them and have a good knowledge of what is involved	I am aware of them and have a very good knowledge of what is involved.	Currently have / offer informal apprenticeships
UK	14,374	%	2	16	48	23	9	2
Country								
England	7,680	%	2	16	48	23	9	2
Northern Ireland	1,750	%	5	22	45	20	6	2
Scotland	3,300	%	2	17	47	22	9	2
Wales	1,644	%	3	20	49	19	7	2
Size								
2 to 4	3,888	%	3	17	47	22	10	1
5 to 9	3,667	%	2	17	49	22	9	2
10 to 24	3,223	%	2	15	50	24	7	2
25 to 99	2,734	%	1	14	50	25	7	2
100+	862	%	*	11	50	26	8	5
Sector 6								
Primary Sector & Utilities	859	%	4	22	54	15	4	1
Manufacturing	837	%	1	13	47	23	11	4
Construction	1,037	%	1	11	45	29	12	2
Trade, Accommodation & Transport	4,750	%	4	18	47	22	8	2
Business and Other Services	4,081	%	2	17	47	22	11	2
Non-Market Services	2,810	%	1	13	51	24	8	2
Sector 12								
Primary Sector & Utilities	859	%	4	22	54	15	4	1
Manufacturing	837	%	1	13	47	23	11	4
Construction	1,037	%	1	11	45	29	12	2
Wholesale and Retail	3,016	%	3	19	48	21	8	2
Hotels and Restaurants	1,311	%	6	16	45	23	8	1
Transport, Storage & Communications	973	%	2	17	49	22	9	1
Financial services	421	%	2	17	52	20	8	1
Business services	2,132	%	1	16	46	22	12	2
Public administration	344	%	1	11	50	27	7	4
Education	775	%	2	11	47	26	11	2
Health and social work	1,691	%	1	14	53	23	7	1
Community	978	%	2	17	46	24	8	1

Base: All who do not offer formal Apprenticeships ** denotes a figure larger than zero but smaller than 0.5

Appendix B: Industry Coding

Each establishment was allocated to sectors based on their Standard Industrial Classification (SIC). There were two sector classifications used in reporting EPS: six broad sectors and 12 more detailed sectors. SIC 2007 was used to classify establishments using the following method. Using the four-digit Standard Industrial Classification (SIC) supplied for each record from the Experian database, a description of business activity was read out to each respondent. If they agreed that this description matched the main activity undertaken at the establishment, then the SIC on Experian's database was assumed to be correct. If however the respondent felt the description did not correspond to their main business activity at the site, a verbatim response was collected to find out what they do (see question A8 on the survey; questionnaire shown in Technical Report). At the analysis stage this was coded to a four-digit SIC which was then used as the basis for allocation into sector.

The table below shows the six and 12 sectors and their corresponding SIC 2007 definitions. The 12 sectors are sub-sectors of the six in all but one instance: "Transport and Communications" from the 12 sector takes SIC section H from "Trade, accommodation and transport" and SIC section J from "Business and Other Services".

SIC 2007	Sector 6	Sector 12
A - Agriculture, forestry and fishing (01-03) Including farming, hunting and other related service activities, forestry and logging, fishing and aquaculture	1. Primary Sector and Utilities	1. Primary Sector and Utilities
B - Mining and quarrying (05-09) Including mining of coal, metals, sand/stone/clay, and extraction of crude petroleum and natural gas	1. Primary Sector and Utilities	1. Primary Sector and Utilities
C - Manufacturing (10-33) Including manufacture of food and beverage, textiles, chemicals and chemical products, basic pharmaceutical products, other mineral products, manufacture of metals and metal products, machinery, computer and electronic products and equipment, motor vehicles and other transport equipment, furniture, and repair and installation of machinery and equipment	2. Manufacturing	2. Manufacturing
D - Electricity, gas, steam and air conditioning supply (35)	1. Primary Sector and Utilities	1. Primary Sector and Utilities

SIC 2007	Sector 6	Sector 12
<p>E - Water supply, sewerage, waste management and remediation activities (36-39)</p> <p>Including electric power generation, transmission and distribution, manufacture of gas and distribution of gaseous fuels, steam and air conditioning supply, water collection, treatment and supply, sewerage and waste collection, treatment and disposal activities and materials recovery</p>	1. Primary Sector and Utilities	1. Primary Sector and Utilities
<p>F - Construction (41-43)</p> <p>Including the construction of buildings, civil engineering (constructing roads, railways and other utility projects), demolition, and specialised activities such as electrical installation, roofing and scaffold erection</p>	3. Construction	3. Construction
<p>G - Wholesale and retail trade; repair of motor vehicles and motor cycles (45-47)</p> <p>Including sale, maintenance and repair of motor vehicles, parts and accessories, non-vehicle wholesale (for example agriculture, food, household goods), and the retail trade of all products whether in stores, stalls, markets, mail order or online</p>	4. Trade, Accommodation and Transport	4. Wholesale and Retail
<p>I - Accommodation and food service activities (55-56)</p> <p>Including hotels, campsites, youth hostels, holiday centres, villages and other short stay accommodation, restaurants and takeaways, event catering and licensed clubs, pubs and bars</p>	4. Trade, Accommodation and Transport	5. Hotels and Restaurants
<p>H - Transport and storage (49-53)</p>	4. Trade, Accommodation and Transport	6. Transport and Communications
<p>J - Information and communication (58-63)</p> <p>Including land, water and air transport (passenger and freight), warehousing and support activities for transportation, postal and courier activities, publishing (books, journals, newspapers etc and software/computer games), television, film and music production, broadcasting, telecommunications, computer programming and consultancy, information service activities (e.g. data processing and hosting)</p>	5. Business and Other Services	
<p>K - Financial and insurance activities (64-66)</p> <p>Including banks and building societies, activities of holding companies, trusts, funds and similar financial entities, credit granting, pensions, insurance and reinsurance</p>	5. Business and Other Services	7. Financial Services

SIC 2007	Sector 6	Sector 12
L - Real estate activities (68)	5. Business and Other Services	8. Business Services
M - Professional, scientific and technical activities (69-75)	5. Business and Other Services	8. Business Services
N - Administrative and support service activities (77-82) Including the buying, selling and renting of real estate, legal activities, accounting, bookkeeping and auditing, management consultancy, architectural and engineering activities, scientific research and development, advertising and market research, specialist design, photographic activities, translation and interpretation, veterinary activities, renting and leasing of tangible goods (motors, household, machinery), employment agencies, travel agencies and tour operations, security and investigation activities, office administration and business support	5. Business and Other Services	8. Business Services
O - Public administration and defence; compulsory social security (84) Including administration of the State and economic and social policy of the community, provision of services to the community as a whole such as defence activities, foreign affairs, justice and judicial activities, fire service and compulsory social security activities	6. Non-Market Services	9. Public Admin
P - Education (85) Including pre-primary, primary, secondary and higher education, other education (such as sports, driving schools, cultural education), educational support activities	6. Non-Market Services	10. Education
Q - Human health and social work activities (86-88) Including Hospitals, medical and dental practices, residential care, social work activities	6. Non-Market Services	11. Health and Social Work
R - Arts, entertainment and recreation (90-93)	5. Business and Other Services	12. Community, Social and Other
S - Other service activities (94-96) Including performing arts, libraries and museums, gambling and betting, sports facilities, amusement and recreation activities, activities of membership organisations (religious, political, trade union, professional), personal services (hairdressing,	5. Business and Other Services	12. Community, Social and Other

SIC 2007	Sector 6	Sector 12
beauty, textile cleaning, well-being activities, funeral activities)		
T - Activities of households as employers; undifferentiated goods and services producing activities of households for own use (97-98)		
U - Activities of extraterritorial organisations and bodies (99) Including households as employers of domestic personnel, private households producing goods for own use	<i>NOT COVERED IN SURVEY</i>	

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UKCES
Renaissance House
Adwick Park
Wath-upon-Dearne
Rotherham
S63 5NB
T +44 (0)1709 774 800
F +44 (0)1709 774 801

UKCES
Sanctuary Buildings
Great Smith St.
Westminster
London
SW1P 3BT
T +44 (0)20 7227 7800

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