

No. 3 / January 2010

UKCES
UK COMMISSION FOR
EMPLOYMENT AND SKILLS

Praxis

An appetite for learning: increasing employee demand for skills development

Ron McQuaid, Colin Lindsay and Steve Johnson

“There is a need for something more: a pervasive culture of learning, which means that people from across all sections of UK society see learning as an ongoing part of their lives, rather than something that ends with compulsory education.”

Praxis Points

Policy implications and areas for further discussion

Raising the demand for skills amongst individuals in the workforce is critical if the UK is to meet its 2020 Ambition¹. This edition of Praxis highlights a number of policy interventions that the evidence suggests can work, and proposes a policy framework for describing and understanding these. The paper aims to stimulate wider debate about the policy interventions most likely to address the barriers to learning faced by the UK workforce. To this end the UK Commission welcomes readers' responses to the following questions, prompted by this paper.

¹ See UK Commission for Employment and Skills, *Ambition 2020: World Class Skills and Jobs for the UK*, May 2009

Contents

Foreword	4
Author biographies	6
An appetite for learning: increasing employee demand for skills development	8-24
Introduction	8
Motivation for, and barriers to, skills development	10
The role of public policy in overcoming barriers to skills development	13
A framework for policy development	17
Policy options	20
Next steps	22

The views expressed in Praxis are those of the authors and do not necessarily represent those of the UK Commission for Employment and Skills.

Foreword

Welcome to Praxis, the UK Commission for Employment and Skills' regular series of policy think pieces that seek to stimulate debate and encourage open dialogue about employment and skills policy and practice.

² UK Commission for Employment and Skills, *Towards Ambition 2020: skills, jobs, growth*, October 2009, p.4

The degree to which employed people in the UK invest in and demand access to ongoing learning and skills development is an issue at the heart of the UK Commission's strategic priorities and we strongly believe that "too few adults possess the skills to succeed in tomorrow's labour market, or the motivation, confidence and opportunity to gain them²".

This third edition of Praxis seeks to stimulate discussion about the challenge of increasing demand for skills development among individuals, and especially among low skilled workers. It seeks to answer two fundamental questions: what stops people from demanding access to and engaging in learning, and what can be done to increase demand?

In a perfect market it could be expected that individuals would do their utmost to participate in skills development activities and would demand access to training and development opportunities from their employers. Doing so would provide them with a stronger chance of more secure, well paid and potentially more rewarding employment (or 'good work') and myriad wider benefits such as better personal physical and mental health, greater wealth and improved life chances for their children.

Survey evidence from across the UK suggests however that most employed people do not behave in this way, with only 27% of employed adults in the UK saying that they have engaged in job-related training in the last three months. Moreover, those accessing these opportunities tend to be those who have already gained the most in terms of education, meaning that for a core group of the

UK's employees post-compulsory learning and skill development is not a part of their life story.

³ The UK Commission is exploring the concept of 'demand led' skills policy from two key perspectives: the project upon which this analysis is based considers the needs of employed individuals. Its sister project 'Collective Measures' considers the needs of employers from the skills system. Both can be accessed via our website <http://www.ukces.org.uk>

The UK Commission's Employee Demand project³ has sought to understand the reasons why many employed people do not engage in learning. It has investigated the barriers, both intrinsic (i.e. personal circumstances and characteristics) and extrinsic (outside influencing factors) to the individual that can prevent them from participating in learning and outlines some of the policy responses that have been developed across the UK and internationally in response to these.

In this paper, McQuaid, Lindsay and Johnson explore the policy implications of this research and construct a policy framework shaped around the key barriers to learning faced by adults working in the UK. They argue that in order to effectively engage the UK workforce in lifelong learning there is a need for better quality and integrated information, advice and guidance and financial support; flexible provision; and a greater use of peer-based support systems. Crucially, this should be within the context of a (more) stable institutional landscape, and strengthened by actions that clearly demonstrate and communicate the benefits of learning to individuals. A central assertion of their analysis is that successful adult learning policy in the UK must above all address "generalised cultural attitudes" that can prevent certain groups of people from participating in learning.

This paper aims to start a conversation with our stakeholders about how we can increase the levels of demand among the UK workforce for opportunities to learn and develop. To this end a series of questions, prompted by this work, are featured at the start of this edition of Praxis. Readers are encouraged to join this debate by commenting via our website: <http://www.ukces.org.uk>

Abigail Gibson

Senior Policy Analyst,
UK Commission for Employment and Skills

Author biographies

Professor Ron McQuaid

Ronald is the Director of the Employment Research Institute, Napier University and a member of the Transport Research Institute at Edinburgh Napier University. He has a PhD from Harvard University, an MSc (Econ) from LSE and a BA (Hons) from Lancaster University. He formerly headed economic development at two councils. He has published widely in academic journals and has carried out a range of research and consultancy studies on economic development, employment, regeneration, labour markets and transport in the UK and abroad. Clients have included the Scottish Executive, European Union, UK government departments, local government, firms and regional development agencies.

Colin Lindsay

Colin Lindsay is a Senior Research Fellow at the Employment Research Institute, Napier University. His background is in Political Science (MA, University of Glasgow) and European Social Policy (MSc, University of Bath). He has published on a range of issues including: the concept of employability; job seeking; the digital divide; attitudes to service work; welfare to work policies; and the implementation of the European Employment Strategy. He has carried out research for a number of local authorities, enterprise companies, the Scottish Executive, the European Commission and the Joseph Rowntree Foundation. He is a rapporteur on UK labour market policy for the European Trade Union Institute.

Dr. Steve Johnson

Steve Johnson is Director of Research at WM Enterprise, which he joined from the Policy Research Institute at Leeds Metropolitan University in 2008. Steve also previously worked for the Centre for Enterprise and Economic Development Research at Middlesex University. He has a PhD in Economics from Leeds Met and a BA in Economics from Leeds University. Steve has published and presented widely on labour market, skills, enterprise, social inclusion and economic development policies, and leads many of WME's high-profile projects, including evaluation studies for Lifelong Learning UK, the Ministry of Justice and the British Heart Foundation, as well as research projects for a number of regional and local agencies across the UK.

Editors:

Carol Stanfield and Abigail Gibson,
UK Commission for Employment and Skills

An Appetite for Learning:

Increasing Employee Demand for Skills Development

Introduction

Raising the skill levels of the UK economy depends to some extent on individuals being prepared to invest in their own skill development, as well as expressing to employers and others their demand for formal and informal training. The chances of an individual actively seeking to increase their skills level depends, research suggests, on a number of 'intrinsic' and 'extrinsic' factors. People with few qualifications, those who are not employed or who work in smaller or non-unionised workplaces tend to be less likely than others to engage in, or demand, skills development.

Research highlights a number of barriers to the take-up of skills development that are experienced by different groups of people. These include financial constraints; limited access to information, advice or guidance; negative influence from family or peers and in some cases negative early experiences of education or training. For those in work, the attitudes and practices of their employers can play an important role in stimulating or inhibiting skills development.

A number of public policy initiatives across the UK and the four nations have attempted to stimulate individual demand for skills development by addressing some or all of these barriers. For example, financial support has been provided through the Education Maintenance Allowance, Individual Learning Accounts and Career Development Loans. Careers organisations, *learnirect* and others have provided information, advice and guidance and the *unionlearn* programme has engaged trade unions, their members and employers in promoting learning activity linked to the workplace. Community-based learning initiatives have also played a role, particularly in relation to people who are not in work.

A review of evaluations of these types of initiatives - across the UK and overseas - suggests that some successes have been achieved in incentivising individuals to get involved in skills development. However there is concern that some initiatives – particularly those involving financial support – may be having the greatest impact on people who are already highly qualified. Evidence from Scandinavian countries in particular suggests that wider societal attitudes towards education and learning play a crucial role, increasing the chances of success of individual initiatives.

This paper outlines a broad policy framework around which initiatives designed to increase individual investment in skills development might be built and be particularly targeted at those least likely to participate in skills development. For those with limited experience of skills development, focused support coupled with flexible provision and appropriate financial incentives appear to be the most fruitful way forward. For people who are in work, a combination of workplace advocacy (in the form of Union Learning Representatives or similar) and employer willingness to provide at least part of the time or resources required should lead to a significant increase in individual demand for skills development.

Underpinning these policy initiatives there is also a need for something more: a pervasive culture of learning which means that people from across all sections of UK society see learning as an ongoing part of their lives, rather than something that ends with compulsory education.

Motivation for, and barriers to, skills development

A considerable body of evidence suggests that an individual's personal characteristics, background and position in the labour market (among other factors) have a significant influence on their propensity to demand skills development opportunities. However it is also important to acknowledge that individuals' demand for skills development is only one factor shaping levels of access – even where individuals express an interest in learning new skills, barriers associated with cost, work organisation and the accessibility of provision can limit the opportunities open to them.

Research suggests that – for people in employment - their personal characteristics and where they work have a significant impact on their chances of accessing learning opportunities in the workplace. People with few qualifications, low-skilled people, older workers, part-time workers and those working in small or non-unionised workplaces tend to have lower than average rates of participation in skills development. The presence or absence of a 'culture of learning' within the workplace also appears to play an important role in influencing both employer and employee decisions about investment in skills development and the existence of clear progression routes and accreditation can play a role in facilitating continued skills development, particularly for people over the age of 40.

Evidence suggests that returns to accredited training at the lowest levels of qualification tend to be relatively low, and there is some debate even in expert circles as to which qualifications provide the best returns for low skilled workers. The lack of clarity and understanding about the value of skills at this level is likely to influence low-skilled individuals' decisions to invest (or not to invest) in skills development.

Barriers to individual demand for skills development include financial factors; lack of advice, information or guidance; negative influences from family or peers and a legacy of negative experiences of education. Other barriers include limited awareness of the potential benefits of skills development and perceived poor quality or lack of access to relevant provision.

Table One categorises the range of barriers faced by individuals according to whether they are 'intrinsic' barriers, particular to the individual or 'extrinsic' barriers resulting from external factors. These two elements do not of course operate in isolation from one another but can interact and compound the relative difficulty faced by certain individuals in accessing skills development opportunities.

Table One:

Barriers to skills development

Intrinsic	<ul style="list-style-type: none"> • Social barriers: learning perceived to go against social, gender or family norms; learning seen as territory of other age and social groups • Lack of knowledge: of what's available; or resulting in belief that learning is formal, classroom-based and involves formal assessment • Lack of awareness of need to/benefits in engaging in skills development • Lack of confidence and/or self efficacy (belief in own ability to learn/succeed) • Lack of expectancy that engaging will result in desired outcomes (due to doubts about the relevance and value of learning) • Fear of failure due to 'educational inheritance' from previous experiences • Perception that too old to learn • Perception that 'fully skilled'/no need for further skills development • Gaps in basic skills or other foundation skills facilitating learning • Lack of motivation due to other personal or family priorities
Extrinsic	<ul style="list-style-type: none"> • Lack of time due to work/family pressures (and lack of training at appropriate times/locations and other services, e.g. childcare, to address these barriers) • Cost/lack of financial support from employers or other sources • Lack of provision of appropriate quality, relevance and content • Employer unwilling/unable to resource training or time off to train • Lack of physical/virtual space or resources for work-related training • Lack of work culture that encourages skills development and deployment • Lack of job autonomy/ownership so that skills can be effectively deployed • Lack of formal systems for progression/rewarding skills development • Inappropriate allocation of skills development opportunities by management • Lack of support/advocacy from: trade unions; peers; management

These different barriers to learning have been recognised by various governments and policy makers and a variety of initiatives have been developed that attempt to ameliorate their impact and enable employees to access learning and development opportunities. The Employee Demand study examined some of the policy initiatives developed across the four nations of the UK and made comparisons with initiatives in the Netherlands, the Republic of Ireland, Sweden, Finland, Australia and Norway.

The role of public policy in overcoming barriers to skills development

Six broad types of policy intervention have been implemented in the UK, the nations and internationally with the explicit or implicit aim of increasing individual demand for skills development by supporting them to overcome the barriers outlined in Table One.

These include

- financial support measures
- information, advice and guidance
- awareness raising and motivation/confidence building
- time off to learn
- workplace based initiatives
- community based initiatives

Table Two categorises these responses and gives examples of some of the initiatives that have been put in place to deliver each type of response and the target population of the initiative.

Table Two:

Barriers to skills development and policy responses

Broad policy response	Barriers to learning	Skills and Employment Policies identified (UK, national & international)	Target groups
Financial support	Extrinsic <ul style="list-style-type: none"> • Cost / lack of financial support 	<ul style="list-style-type: none"> • Individual Learning Account (EN, SC, WA, NL, SE) • Career Development Loans • Education Maintenance Allowance • Adult Learning Grant • Special Education Grants(SE) 	<ul style="list-style-type: none"> • All potential learners • In work • Young people • Adults • Unemployed
Information, advice, guidance	Intrinsic <ul style="list-style-type: none"> • Lack of knowledge 	<ul style="list-style-type: none"> • Ufi / learndirect • IAG (England, Wales) • All Age Guidance Service (Scotland) • Programme on Ageing Workers (FI) 	<ul style="list-style-type: none"> • All • All • All • Older people
Awareness, motivation, confidence	Intrinsic <ul style="list-style-type: none"> • Social barriers, personal/family priorities • Lack of awareness, confidence, expectancy re benefits of learning • Fear of failure, 'too old', 'no need for further skills' • Gaps in basic skills Extrinsic <ul style="list-style-type: none"> • Quality of provision 	<ul style="list-style-type: none"> • Connexions Card (England) • Skills for Life (England) • Skills Coaching Trials / Skills Passports (New Deal for Skills) • Learning Agreements (England) • Aimhigher (England) • Skills for Work (Ireland) • Training awards* • Qualifications reform* 	<ul style="list-style-type: none"> • Young people • Less well educated • Unemployed • Young people • Young people • Unemployed • All • All
Time to learn	Extrinsic <ul style="list-style-type: none"> • Lack of time / timing of training opportunities • Employer unwilling to resource time off 	<ul style="list-style-type: none"> • Time Off for Study or Training – consultation/feasibility studies (UK) • Paid Learning Leave pilot (Ireland) • Educational leave (SE, Norway) 	<ul style="list-style-type: none"> • In work • In work • In work

Broad policy response	Barriers to learning	Skills and Employment Policies identified (UK, national & international)	Target groups
Workplace-based initiatives/	Extrinsic <ul style="list-style-type: none"> • Lack of space/resources for work-based learning • Work culture • Job autonomy / ownership • Lack of formal systems • Management allocation of skills development opportunities • Lack of support from unions, peers, managers 	<ul style="list-style-type: none"> • Union Learning Fund / Representatives • Train to Gain (England) • Employer Training Pilots (EN) • Learning Worker Pilots (Wales) • Workplace Innovation Fund (NI) • Training Support Scheme (IE) • NOSTE (Finland) • Encouragement for employer training through public procurement* 	<ul style="list-style-type: none"> • In work / unionised • In work • In work • In work • In work • In work • In work (low skilled) • In work
Community based	Extrinsic <ul style="list-style-type: none"> • Access to training provision • Childcare or family-related responsibilities • Health issues 	<ul style="list-style-type: none"> • Care to Learn • Adult & Community Learning Fund • Learning Challenge Fund (Wales) • Regional Support Centres • Learning Community Account pilots (Wales) • Learner Support Funds • Return to Learning (Ireland) 	<ul style="list-style-type: none"> • Young parents • Adults • Adults • Adults • Adults • Adults • Adults

* denotes policies which may play a role in stimulating individual demand for skills development, but no evidence was found on their effectiveness in this regard.

Key to countries

EN	England	NI	Northern Ireland
SC	Scotland	SE	Sweden
WA	Wales	FI	Finland
NL	Netherlands	IE	Republic of Ireland

An examination of the available evaluation evidence for the range of initiatives detailed reveals that certain types of policy intervention appear to have an impact on individual demand for learning, both in the UK and in the international comparator nations studied.

Financial support appears to be an effective way of stimulating further skills development activity among people who are in work and/or those who are already qualified to level 3 or above. In particular, the requirement to pay back loans acts as an important incentive for beneficiaries to complete their learning programmes (e.g. in the Career Development Loan in England, Scotland and Wales). In the UK evaluation evidence shows that Education Maintenance Allowances (EMA) have resulted in staying-on rates in full-time education that are higher than would otherwise have occurred. The initiative also appears to have positive impacts on parental attitudes to staying-on among young people.

The evidence also suggests however that, for most people, financial support in and of itself will be insufficient to stimulate significant increases in skills development activity. Additional support in the form of information, advice and guidance is important, particularly for less well-qualified people and those with negative experiences of formal education. For people who are out of work, who have not undertaken skills development for some time and may be ill-informed and/or under-confident about skills development, support appears to be most effective when it is delivered on a one-to-one basis; for people who are in work, and in particular those with lower skill and qualification levels, support appears to be particularly effective when it occurs in the workplace, for example through Union Learning Representatives or other learning 'champions'.

The level of support needed is likely to be expensive in resource terms and will therefore need to ensure a focus on groups who need this support in order to acquire skills and qualifications that will ultimately improve their labour market position. But evaluations also demonstrate how difficult it is to engage with those furthest away from learning. For example, international experience of policies to allow time off for learning found only one per cent of the eligible population took up the offer; seven per cent of the eligible target group (those Not in Employment, Education or Training or those in Jobs Without Training) for Learning Agreements in England partook in the initiative and only one of the five pilot areas for the Welsh Learning and Community Accounts reached its target for learner engagement. Whilst the impacts on those who do participate can be positive, there are often considerable challenges in engaging some individuals in the first place.

In this respect, the wider social, policy and institutional environment in which these policies are implemented is important in setting the context for and facilitating the success of specific policy initiatives.

A framework for policy development

A framework to describe the relationship between the various factors that influence the success of policy initiatives in stimulating individuals to demand, and take up skills development opportunities is set out in Figure One. The framework emphasises the importance of wider societal attitudes towards learning in setting the context for individual motivations and decisions. Clearly, this is very difficult to measure and is likely to take a long time to change. However the Scandinavian countries in particular demonstrate that positive attitudes to learning that pervade all levels of society – and are reflected, for example, in active local community learning programmes – appear to be related to positive attitudes to skills development among individuals and employers.

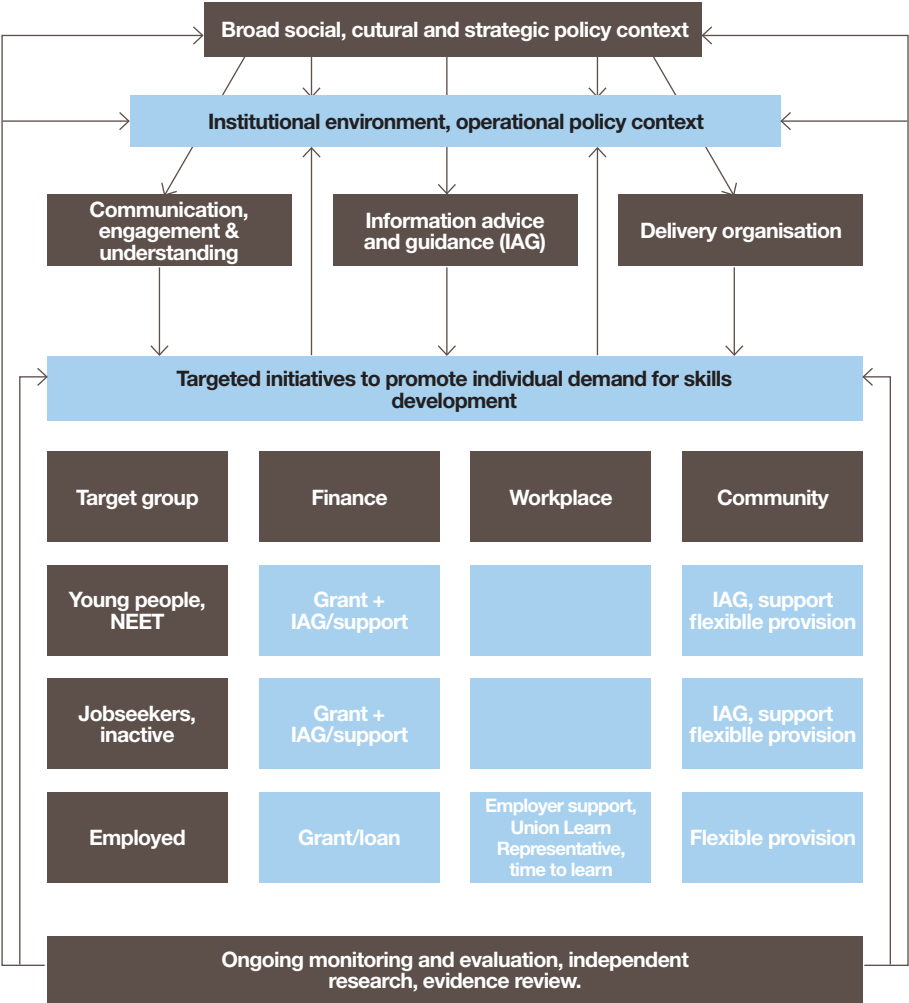
International evidence also suggests that the institutional frameworks within which skills development policies and initiatives are developed and delivered can play an important role in ensuring their success. Individuals can be confused by complex, constantly changing institutions, which can inhibit a long-term strategic approach by both individuals and institutions. This observation applies to funding bodies, to information, advice and guidance organisations and also to enabling frameworks such as national qualifications systems.

In turn, the effectiveness of processes to communicate the general benefits of investment in skills development, and the specific benefits of individual initiatives, is likely to play a role in stimulating individuals to take up skills development opportunities. This is particularly the case where broad communication messages are linked to individual information, advice and guidance, which may be delivered in a range of different ways, including at the workplace. Building on the point made above, delivery organisations need to be responsive to the needs of individuals and prepared to deliver skills development in flexible ways.

Specific initiatives designed to address barriers to take-up of skill development opportunities need to be clear about their target group(s). Figure One suggests three broad target groups: young people; jobseekers and inactive people; and employed people. However, our research review found that barriers to skills development are complex and vary considerably between individuals. Policy evaluation suggests that in some cases those who benefit most from initiatives are not necessarily those with the greatest barriers to skills development. Policy needs to be mindful of this complexity, while ensuring clarity about the target beneficiaries of specific initiatives.

Finally, ongoing research, monitoring and evaluation are crucial in order to ensure that learning from experience is fed back into the system, in terms of both operational and strategic development.

Figure One:
Individual demand for skills development – a policy framework



Policy options

This paper has argued that an individual's demand for skills development is facilitated and constrained by a wide range of 'intrinsic' and 'extrinsic' factors. We have also seen that – particularly in the UK – policies appear to be designed to address these factors in isolation from one another. Some initiatives are targeted at specific groups of people whereas others are more general. The result is that most policy interventions have only a modest impact on some groups of individuals, often those who are already committed to skills development and who are in a good position to take advantage of the available support.

While there are clear and demonstrable success stories, it is clear that much still needs to be done to tackle the systemic factors that appear to prevent some key groups within the population from investing in their own skill development. These are (i) people who are on the fringes of the labour market, often with low skills and negative experiences of education and training and (ii) people in employment who have less access to skills development opportunities than others, for example part time workers, people with low skills, those working for smaller organisations and people working in non-unionised workplaces.

The analysis presented in this paper suggests that policy action is required on a number of levels:

- Addressing the generalised cultural attitudes that appear to pervade some groups in the population, promoting a positive view of education, training and related skills development activities
- Linked to the above, ensuring a relatively stable institutional environment within which policy can be devised, delivered and modified on a consistent basis over the medium to long term

- Identifying effective means to engage and ‘recruit’ individuals to take part in learning, whether through the workplace, community or other means
- Ensuring that lower-skilled people are aware of the returns that they can achieve through skills development and indeed facilitating the process of achieving these returns and raising awareness of progression routes through skill development
- Pursuing a joined-up approach to information, advice, guidance, financial support and flexible provision of learning opportunities, particularly among those currently outside the labour market who are likely to need intensive and flexible support over a substantial time period
- Tailoring support for those furthest away from learning and skill development to meet their needs
- Modifying the approach to financial support to ensure better value for money, for example, developing loans to encourage course completion or facilitating flexibility to allow funding to cover other costs, such as childcare
- Exploring ways of spreading the successful elements of the *unionlearn* model to smaller and non-unionised workplaces, while at the same time encouraging employers to see the benefits of investing in skills development for all of their employees.

⁴ Tamkin, P., Hillage, J., Dewson, S., and Sinclair, A. (2003) *New Learners, New Learning: A Strategic Evaluation of Ufi, Institute of Employment Studies, Research Report No. 440, June 2003.*

- Effectively evaluating the impacts of interventions, which may vary depending on the nature of the intervention, but where consistencies should also be possible to identify. One such model⁴ which has been proposed considers impacts which can be broken down into:
 - ‘Stepping in’ – encouraging individuals ‘new’ to, or with little previous experience of, learning opportunities
 - ‘Stepping up’ – ensuring engaged individuals complete their learning journeys
 - ‘Stepping on’ – the success of initiatives in terms of enabling learners to gain higher level qualifications and to gain a better paid job because of the training undertaken

The literature review also points to gaps in the evidence and potential for further research. For example, further analysis of existing datasets or the adoption of stated preference models in research could help determine the most significant barriers to learning; more could be learnt about how best to tackle the impact of negative early educational experience on later propensity to learn.

Next steps

The UK Commission seeks to develop the policy options presented here further and welcomes response to the questions we set out in the ‘Employee Demand’ report, re-iterated in the ‘Praxis Points’ at the beginning of this paper.

Notes

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Praxis Ideas into action

Praxis is the policy publication from the UK Commission for Employment and Skills that provides a medium through which to explore new and creative policy ideas. Praxis aims to enable and encourage discussion, debate and innovation in employment and skills policy.

UKCES

3 Callflex Business Park
Golden Smithies Lane
Wath-Upon-Dearne
South Yorkshire
S63 7ER
T +44 (0)1709 774 800
F +44 (0)1709 774 801

UKCES

28-30 Grosvenor Gardens
London
SW1W 0TT
T +44 (0)20 7881 8900
F +44 (0)20 7881 8999

The UK Commission for Employment and Skills aims to raise UK prosperity and opportunity by improving employment and skills. Our ambition is to benefit employers, individuals and government by advising how improved employment and skill systems can help the UK become a world class leader in productivity, in employment and in having a fair and inclusive society: in the context of a fast-changing global economy.

Analysis ➤ **Understanding** ➤ **Insight** ➤ **Expert advice to government**

ISBN 978-1-906597-33-7
1st Ed / 1K / 01.010