

# ReWAGE

## Evidence Paper

### Upskilling and reskilling adult workers – the problem of employer demand

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#### 1.1 Introduction:

Work is changing and the UK's future prosperity and productivity depend on our ability as a nation to harness those changes in positive ways, and to upskill and reskill workers so that they can meet the new challenges. The need is urgent. According to the World Economic Forum, by 2025 44 per cent of the skills that employees need to perform their roles will have changed<sup>1</sup> and nine out of 10 workers will require some form of reskilling.<sup>2</sup>

In the UK, upskilling is particularly important. We have longstanding problems with vocational training, with productivity and with inequality, each of which serves to feed and exacerbate the others. More than 30 years ago this system was christened a low-skills equilibrium and despite many and varied Government interventions since, it is still troubled.<sup>3</sup> Individual skills and qualifications have increased, including many more people qualified at graduate level and above, but job design has failed to keep pace with these changes; many workers report that their skills are under-utilised and the levels of discretion that workers can exercise has fallen dramatically.<sup>4 5 6</sup>

#### 1.2 Defining the problem:

##### The narrow focus of Levelling Up

Levelling Up is a central part of the Government's mission. Levelling Up is a wide-ranging intervention, but it is primarily focused on regional infrastructure projects. It does acknowledge the need for human capital, high quality skills training and good jobs<sup>7</sup> but, as ReWAGE<sup>8</sup> notes elsewhere, employment forms only a small element of its wider proposals. The upskilling and reskilling of adult workers would benefit from

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<sup>1</sup> WEF 2020. "The Future of Jobs Report." Geneva: World Economic Forum

<sup>2</sup> McKinsey. 2019. "UK Skills Mismatch in 2030." Report for the Industrial Strategy Council.

<sup>3</sup> Finegold, D. and D. Soskice. 1988. "The failure of training in Britain: Analysis and Prescription." *Oxford Review of Economic Policy* 4(3):21-43

<sup>4</sup> Green, F., A. Felstead, D. Gallie, and G. Henseke. 2016a. "Skills and work organisation in Britain: a quarter century of change." *Journal for Labour Market Research* 49(2):121-132

<sup>5</sup> Green, F. and Y. Zhu. 2008. "Overqualification, job dissatisfaction and increasing dispersion in the returns to graduate education." in *Department of Economics Discussion Paper 03/08*.

<sup>6</sup> Henseke, G., A. Felstead, D. Gallie, and F. Green. 2018. "Skills Trends at Work in Britain – First Findings from the Skills and Employment Survey 2017." London: Centre for Learning and Life Chances in Knowledge Economies and Societies, UCL, Institute of Education.

<sup>7</sup> DLUHC. 2022. "Levelling Up the United Kingdom." Pp. 332: Department for Levelling Up, Housing and Communities, HM Government

<sup>8</sup> Daniels, K., Wilson, T. and Warhurst, C. (2022) 'Putting employment on the levelling up agenda', [https://warwick.ac.uk/fac/soc/ier/rewage/publications/levelling\\_up\\_policy\\_briefing\\_october2021.pdf](https://warwick.ac.uk/fac/soc/ier/rewage/publications/levelling_up_policy_briefing_october2021.pdf)

more attention. Improvements to jobs and skills have the potential to benefit government, business and society in a range of ways.<sup>9</sup>

Jobs which pay decent wages and offer progression opportunities enable employees to work their way out of poverty and let governments benefit from increased revenue. Creating such jobs requires changes to both the demand and the supply side: upskilling and reskilling both jobs and workers. Indeed, for Levelling Up to work effectively we need to actively improve productivity, raising the quality of goods and services and raising wages. High skill, high wage jobs require highly skilled workers. None of these can be achieved without redesigning jobs, upskilling large numbers of our current workforce and reskilling those whose industries have been in decline.

## **Inequality in the skills system**

Relying on the existing system to address this is unlikely to be successful. The skills system in the UK has long been a problem. Training spend and duration have been falling for 20 years.<sup>10 11 12</sup> Training quality is unreliable. While some provision is excellent, much is low level and of low quality, so many employees have poor learning experiences or miss out on training entirely. According to two recent surveys 61 per cent of employees say they do not have the skills they need for the next five years<sup>13</sup> and 26 per cent have not participated in workplace training for a decade, with part time workers, those aged 55+ and workers living out of London far less likely to benefit from learning opportunities.<sup>14</sup> In other words, workplace training exacerbates inequality, with most, and most high-quality training, targeted on workers who are already highly qualified.<sup>15</sup>

## **The risks of continuing as we are**

The UK is less productive than many of its international competitors a problem which is longstanding.<sup>16</sup> Continuing to neglect adult reskilling and upskilling will exacerbate these low levels of productivity. New work practices and technologies will simply not be adopted, further damaging the productivity of UK companies.<sup>17</sup> Given the current

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<sup>9</sup> Daniels, K., T. Wilson, C. Warhurst, P. Dickinson, T. Hogarth, K. Hoque, J. McBride, M. Ram, A. Rafferty, J. Rubery, E. Shaw, and L. Wilson. 2021. "Putting employment on the levelling up agenda." in *ReWAGE Policy Briefs*: ReWAGE, University of Warwick, University of Leeds.

<sup>10</sup> Green, F., A. Felstead, D. Gallie, H. Inanc, and N. Jewson. 2016b. "The Declining Volume of Workers' Training in Britain." *British Journal of Industrial Relations* 54(2):422 - 448.

<sup>11</sup> Green, F. and G. Henseke. 2019. "Training Trends in Britain." in *Research Paper*. London: University College London, Institute of Education and Unionlearn, TUC.

<sup>12</sup> Li, J., A. Valero, and G. Ventura. 2020. "Trends in job-related training and policies for building future skills into the recovery." in *CVER Discussion Paper Series*. London: Centre for Vocational Research.

<sup>13</sup> Emsi/City&Guilds. 2021. "Skills Index 2021." London: City & Guilds.

<sup>14</sup> Emsi/City&Guilds. 2020. "Missing Millions: Considering the Untapped Potential of Millions of Working Age People in the UK". London: City and Guilds Group.

<sup>15</sup> Kapetaniou, C. 2020. "Education for all: Making the case for a fairer adult learning system." Nesta Google.org.

<sup>16</sup> ONS. 2018. "International comparisons of UK productivity (ICP), final estimates: 2016.": Office for National Statistics

<sup>17</sup> BEIS. 2019. "Automation and the Future of Work." London: Business, Energy and Industrial Strategy Committee.

distribution of learning opportunities it will also further widen existing social and regional inequalities.<sup>18</sup>

It is clear that employers are part of the UK skills problem. Jobs are narrowly designed, training levels and quality are falling and too few supports are available for the learning that does go on. These are longstanding problems, but they can be resolved and employers are an important part of that resolution.

### 1.3 The role of employers:

Employers are central to rectifying this problem. Most training is job-related and employer sponsored and employers are major beneficiaries from workplace training, so the traditional solution for the UK's skills problems has been to rely on employers and to assume that, given good information, demand will rise, and demand and supply will match.<sup>19</sup> As the recent White Paper *Skills for Jobs* puts it, low levels of training and low-quality qualifications can be prevented by (p. 12): "giving employers a central role in identifying local and national skills needs".<sup>20</sup>

At one level there is nothing to object to in centring employers and much to praise. Vocational training, reskilling and upskilling all require employer engagement, and many employers engage remarkably well. However, it fails to acknowledge the extent to which employers are part of the problem, as well as part of the solution.

Employers need to be involved in all aspects of reskilling and upskilling adult workers. But for any interventions to be effective we also need to have an honest appraisal of the systematic problems that have hindered many previous attempts. This paper focuses on the enduring problem of a lack of employer demand for skills. It examines the weaknesses in job design and employers' retreat from training before going on to recommend ways in which this demand for skills can be strengthened and current practice can be improved.

#### Job Design

The first area of concern is that of job design. The UK labour market includes many low skilled and low paid jobs.<sup>21</sup> According to Mako and Illesy<sup>22</sup> approximately 20 per cent of jobs in the UK are tightly controlled, with limited discretion so workers' skills are under-utilised. A further 21 per cent of jobs are heavily 'constrained' in which workers have very little autonomy. Significant numbers of firms compete successfully on this basis and, in such a system, jobs are designed to require few or no skills.

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<sup>18</sup> Kapetaniou, C. 2020. "Education for all: Making the case for a fairer adult learning system." Nesta Google.org.

<sup>19</sup> Kapetaniou, C. 2020. "Education for all: Making the case for a fairer adult learning system." Nesta Google.org.

<sup>20</sup> DfE 2021b. "Skills for Jobs: Lifelong Learning for Opportunity and Growth." Department for Education.

<sup>21</sup> Henseke, G., A. Felstead, D. Gallie, and F. Green. 2018. "Skills Trends at Work in Britain – First Findings from the Skills and Employment Survey 2017." London: Centre for Learning and Life Chances in Knowledge Economies and Societies, UCL, Institute of Education.

<sup>22</sup> Mako, C. and M. Illesy. 2015. "Coexistence of high-quality human resources and poor organisational capabilities: Why do post-socialist countries lag behind the EU-15 in public sector

This lack of skills has been an ongoing weakness of the UK labour market. The detailed NIESR studies of the 1980s and 1990s<sup>23 24 25 26 27 28</sup>, Clarke and Wall's work on construction<sup>29 30 31</sup> and Lloyd and Payne's<sup>32 33</sup> rigorous study of service sector jobs all observe that tasks are more narrowly drawn, that work is less skilful and that workers are given fewer responsibilities in the UK than elsewhere. Conclusions which, in Lloyd and Payne's work, apply across the board to high-, intermediate- and low-skilled work.<sup>34 35</sup> It is possible to design work in different ways, as many international comparisons have demonstrated, but few UK employers do.

Tight control of jobs may also limit the skills that workers can exercise. Call centre scripts, fast food routines, automation and algorithmic management all contribute to this high level of control.<sup>36 37 38</sup> Such routinisation can be an attractive option for management by 'worker-proofing' the jobs.<sup>39</sup>

While many jobs still demand few or no skills, young people are staying in education longer and gaining more qualifications. In 1975 62 per cent of young people left the

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- <sup>23</sup> Jarvis, V. and S. Prais. 1989. "Two nations of shopkeepers: training for retailing in France and Britain." *National Institute Economic Review* 128:58-75.
- <sup>24</sup> Mason, G. and D. Finegold. 1995. "Skills, Machinery and Productivity in Precision Metalworking and Food Processing: a pilot study of matched establishments in the US and Europe." London: National Institute of Economic and Social Research.
- <sup>25</sup> Mason, G., B. Van Ark, and K. Wagner. 1996. "Workforce skills, product quality and economic performance." Pp. 175 - 198 in *Acquiring Skills*, edited by A. Booth and D.J. Snower. Cambridge: Cambridge University Press.
- <sup>26</sup> Prais, S. 1995. *Productivity, Education and Training: an international perspective*. Cambridge: Cambridge University Press.
- <sup>27</sup> Prais, S. and K. Wagner. 1988. "Productivity and management: the training of foremen in Britain and Germany." *National Institute Economic Review* 123.
- <sup>28</sup> Prais, S.J., V. Jarvis, and K. Wagner. 1991. "Productivity and vocational skills in services in Britain and Germany." in *International Comparisons of Vocational Education and Training for Intermediate Skills*, edited by P. Ryan. London: Falmer
- <sup>29</sup> Clarke, L. and C. Wall. 1996. *Skills and the Construction Process: a comparative study of vocational training and quality in social housebuilding*. Bristol: Policy Press.
- <sup>30</sup> Clarke, L. and C. Wall. 1998. "UK construction skills in the context of European developments." *Construction Management and Economics* 16:553 - 567.
- <sup>31</sup> Clarke, L. and C. Wall. 2000. "Craft versus industry: the division of labour in European housing construction." *Construction Management and Economics* 18(6):689 - 698.
- <sup>32</sup> Lloyd, C. and J. Payne. 2014. "'It's all hands on, even for management': managerial work in the UK cafe sector." *Human Relations* 67(4):465 - 488.
- <sup>33</sup> Lloyd, C. and J. Payne. 2017. *Skills in the age of over-qualification: comparing service sector work in Europe*. Oxford: Oxford University Press
- <sup>34</sup> Lloyd, C. and J. Payne. 2014. "'It's all hands on, even for management': managerial work in the UK cafe sector." *Human Relations* 67(4):465 - 488
- <sup>35</sup> Lloyd, C. and J. Payne. 2017. *Skills in the age of over-qualification : comparing service sector work in Europe*. Oxford: Oxford University Press
- <sup>36</sup> Ritzer, G. 1998. *The McDonaldisation Thesis*. London: Sage.
- <sup>37</sup> Taylor, P. and P. Bain. 1999. "An assembly line in the head: work and employee relations in the call centre." *Industrial Relations Journal* 30(2):101-117.
- <sup>38</sup> Wood, A.J., M. Graham, V. Lehdonvirta, and I. Hjorth. 2019. "Good Gig, Bad Gig: Autonomy and Algorithmic Control in the Global Gig Economy." *Work, Employment and Society* 33(1):56-75.
- <sup>39</sup> Pye, D. 1968. *The Nature and Art of Workmanship*. Cambridge: Cambridge University Press.

education system at the age of 16, the first moment they could legally do so.<sup>40</sup> By 2018-2019 1.9 million UK students were in higher education with approximately 50 per cent of the age cohort gaining a first degree.<sup>41</sup>

In response to these dramatic increases in the supply of skills the demand for skills has risen, but not as rapidly. This mismatch is not surprising. Markets can rapidly adapt to changes in the values of currencies, interest rates and many traded goods but are far less well equipped to adjust to changes in the supply and demand of skills. As a result, when the supply of skills rises, skills are under-utilised.<sup>42 43</sup> Depending upon the definition used, around 30 per cent of UK workers report that their skills are under-used at work. Warhurst and Luchinskaya<sup>44</sup>, with Felstead et al.<sup>45</sup> point out that in fact skill under-utilisation is a bigger problem for employers than skill shortages.

Workers are increasing their skills but jobs are failing to keep pace. These issues reflect employer choice. Jobs are narrowly designed and tightly controlled, discretion is limited and skills are under-utilised not because they have to be, but because employers choose to compete in this way. In other words, the *demand for skills* is lower than the supply. When jobs are narrowly designed, work requires fewer skills, meaning that training can be minimised, or omitted altogether, since it is a cost, rather than an investment. The training that does occur is likely to be limited and focused on the immediate job in hand.

## The retreat from training

The impact of this approach to job design is reflected in the training statistics. Much vocational learning and training takes place at work with most participation job-related and employer-sponsored.<sup>46</sup> In the UK firms' spending is in retreat with organisations preferring to solve skills shortages through recruitment rather than training.<sup>47</sup> They buy in, rather than develop the skills they need. Over the last 20 years, the training undertaken by UK employers has been in marked decline with both expenditure and

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<sup>40</sup> Keep, E. and H. Rainbird. 2000. "Towards the learning organisation?" in *Personnel Management: a comprehensive guide to theory and practice*, edited by S. Bach and K. Sisson. Oxford: Blackwell.

<sup>41</sup> UniversitiesUK. 2021. "Higher Education in Numbers."

<sup>42</sup> Green, F., A. Felstead, D. Gallie, and G. Henseke. 2016a. "Skills and work organisation in Britain: a quarter century of change." *Journal for Labour Market Research* 49(2):121-132

<sup>43</sup> Grugulis, I. 2007. *Skills, training and human resource development: a critical text*. Basingstoke: Palgrave Macmillan

<sup>44</sup> Warhurst, C. and D. Luchinskaya. 2017. "Labour market change Skills utilisation: Definition, theories, approaches and measures Background paper for European Company Survey 2019." Pp. 47: Eurofound.

<sup>45</sup> Felstead, A., D. Gallie, and F. Green (2017) "Measuring Skills Stock, Job Skills and Skills Mismatch." in *Oxford Handbook of Skills and Training*, edited by C. Warhurst, K. Mayhew, D. Finegold, and J. Buchanan. Oxford: Oxford University Press.

<sup>46</sup> Kapetaniou, C. 2020. "Education for all: Making the case for a fairer adult learning system." Nesta Google.org.

<sup>47</sup> Li, J., A. Valero, and G. Ventura. 2020. "Trends in job-related training and policies for building future skills into the recovery." in *CVER Discussion Paper Series*. London: Centre for Vocational Research

duration falling.<sup>48 49 50</sup> Employer-funded training hours fell by 60 per cent between 1997 and 2017 with a corresponding reduction in the number of people gaining accredited qualifications, to the extent that 30 per cent of workers reported not receiving any workplace training at all in the last five years while 11 per cent reported receiving no training ever.<sup>51</sup>

The decline in the extent of vocational training provided by employers has been matched by a decline in the *duration* of training. According to the European Working Conditions Survey (EWCS), the UK is 21<sup>st</sup> in terms of receiving training that lasts at least 6 days and 27<sup>th</sup> in terms of trainees strongly agreeing training changed the way they work, with overall UK expenditure considerably lower than EU average.<sup>52</sup> While duration is an uneasy proxy for quality, it is certainly reasonable to argue that short interventions are limited in the number of new or increased skills they can convey. A 6-day course, to use the duration given in the EWCS, could provide time for additional material to be added to existing skills (such as installing a new piece of equipment or reconfiguring existing technologies) but it is unlikely to be long enough to either upskill or reskill in and of itself.

Moreover, the training that is provided is often unrelated to skills with an estimated one third consisting of either basic induction or statutory obligations such as Health and Safety or First Aid.<sup>53</sup> All of which are necessary and valuable activities but contribute little to either reskilling or upskilling.

Overall, UK employers invest just half of the EU average in training.<sup>54</sup> This lack of investment is a serious deficit. It is possible that some of it may be ameliorated by workers organising and funding their own learning, but structural factors militate against this. Traditionally Further Education (FE) colleges provided viable vocational options for young people and adults to upskill and reskill. Many of these options have been scaled back and there have been drastic cuts to FE with spending on work-based-learning for adults decreasing by about 25 per cent in real terms since 2009 – 2010.<sup>55</sup> Workers who have already succeeded in gaining high level qualifications and those working in high-skilled jobs are more likely to organise further learning for themselves. Those with few qualifications are least likely to benefit from employer-funded training and are also less likely to pro-actively look for courses or see upskilling as a realistic route forward. When they do participate in learning this is often triggered

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<sup>48</sup> Green, F., A. Felstead, D. Gallie, H. Inanc, and N. Jewson. 2016b. "The Declining Volume of Workers' Training in Britain." *British Journal of Industrial Relations* 54(2):422 - 448

<sup>49</sup> Green, F. and G. Henseke. 2019. "Training Trends in Britain." in *Research Paper*. London: University College London, Institute of Education and Unionlearn, TUC.

<sup>50</sup> Li, J., A. Valero, and G. Ventura. 2020. "Trends in job-related training and policies for building future skills into the recovery." in *CVER Discussion Paper Series*. London: Centre for Vocational Research

<sup>51</sup> Emsi/City&Guilds. 2021. "Skills Index 2021." London: City & Guilds.

<sup>52</sup> Li, J., A. Valero, and G. Ventura. 2020. "Trends in job-related training and policies for building future skills into the recovery." in *CVER Discussion Paper Series*. London: Centre for Vocational Research

<sup>53</sup> ESS. 2018. "Employer Skills Survey 2017 Research Report."

<sup>54</sup> Emsi/City&Guilds. 2020. "Missing Millions: Considering the Untapped Potential of Millions of Working Age People in the UK". London: City and Guilds Group.

<sup>55</sup> Emsi/City&Guilds. 2020. "Missing Millions: Considering the Untapped Potential of Millions of Working Age People in the UK". London: City and Guilds Group.

by a change in life circumstances or a serendipitous prompt about a course. Small wonder that the number of adults participating in learning and skills training has declined and the UK has some of the lowest levels of self-funded training,<sup>56 57</sup> with participation rates in adult learning half those in Sweden.<sup>58</sup> Employer-funded training rates are low and self-funded training rates are low.

Lack of awareness of the benefits of training is not the problem here. Successive governments, supported by key industry stakeholders, have highlighted its value. When asked, employers agree, but, as the statistics demonstrate, fail to back this rhetorical approval with practical action. As Keep points out, this retreat happened at a time when the government was actively “exhorting employers to do more and providing various forms of subsidy to incentivise greater activity”.<sup>59</sup>

This reluctance of many employers to engage is a longstanding problem. Indeed, part of the reason for New Labour’s significant expansion of higher education in the early 2000s was to substitute for employers’ reluctance to train. It was easier to expand higher education than it was to secure good quality skills provision in the workplace.<sup>60</sup> Employers’ reluctance to train is understandable. They do not exist primarily to provide learning opportunities for their staff. Their objectives are to provide goods or services, to make profits or limit losses, to improve quality or efficiency. For employers, training is a third order issue.<sup>61</sup> For many, this reluctance has positive financial advantages as the government may (and often does) step in to fund training in their place.<sup>62</sup>

The fact that training is (understandably) not at the top of employers’ priorities also has implications for the quality of training and of qualifications when these are designed by employers.<sup>63 64 65 66 67 68 69</sup> For many employers, their priority is ensuring

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<sup>56</sup> DfE. 2021a. "Decision making of adult learners below Level 2." in *Research Report*. London: Department for Education.

<sup>57</sup> Foresight. 2017. "Future of Skills and Lifelong Learning." Pp. 112. London: Government Office for Science.

<sup>58</sup> Kapetaniou, C. 2020. "Education for all: Making the case for a fairer adult learning system." Nesta Google.org.

<sup>59</sup> Keep, E. 2020. "Employers, the ghost at the feast." *Journal of Education and Work* 33(7 - 8):500 - 506.

<sup>60</sup> Keep, E. 2020. "Employers, the ghost at the feast." *Journal of Education and Work* 33(7 - 8):500 - 506

<sup>61</sup> Keep, E. and K. Mayhew. 1999. "The assessment: knowledge, skills and competitiveness." *Oxford Review of Economic Policy* 15(1):1-15.

<sup>62</sup> Gambin, L. and T. Hogarth. 2017. "Who Pays for Skills? Differing Perspectives on Who Should Pay and Why." in *The Oxford Handbook of Skills and Training*, edited by C. Warhurst, K. Mayhew, D. Finegold, and J. Buchanan. Oxford: Oxford University Press.

<sup>63</sup> Grugulis, I. 2003. "The contribution of NVQs to the growth of skills in the UK." *British Journal of Industrial Relations* 41(3):457-475.

<sup>64</sup> Grugulis, I. 2007. *Skills, training and human resource development: a critical text*. Basingstoke: Palgrave Macmillan

<sup>65</sup> Hyland, T. and P. Weller. 1994. "Implementing NVQs in Further Education Colleges." Warwick University, Continuing Education Research Centre

<sup>66</sup> Keep, E. 2020. "Employers, the ghost at the feast." *Journal of Education and Work* 33(7 - 8):500 - 506.

<sup>67</sup> Wolf, A. 1996. "The cost of the NVQ Programme, appendix 4." in *Rhetoric and Reality: Britain's New Vocational Qualifications*, edited by P. Robinson. London: Centre for Economic Performance, London School of Economics.

<sup>68</sup> Wolf, A. 2011. "Review of Vocational Education - the Wolf Report." London: Department for Education

<sup>69</sup> Wolf, A. 2015. "Fixing a Broken Training System: the case for an apprenticeship levy." London: Social Market Foundation

that individual workers are able to do the tasks immediately before them, rather than providing a robust basis for a career in a sector or specialism.

## Learning in and at work

Learning at work is not confined to formal training. In work, people learn from each other, from the tasks that they do, the projects they undertake and the responsibilities they acquire. Indeed, when asked, most workers claim to have learned most, and most valuable knowledge, in work. This exchange of knowledge and skills is often informal but can be supported by formal structures, systems and job design.<sup>70 71</sup> One recent study of the Fire and Rescue Service reported the way that a combination of prior relevant experience, lengthy and robust initial training, regular subsequent training, collaborative work teams and time between call-outs to exchange 'war stories' all served to facilitate and enhance learning.<sup>72</sup> Novice fire-fighters were assigned individual mentors to assist with their learning and the existence of small, supportive work groups ensured that their competence was a shared responsibility.

Examples of good workplace practice are encouraging.<sup>73</sup> However, as the last two sections have made clear, not all workplaces are designed to enhance learning and workplace structures can limit learning as well as encouraging it.<sup>74 75 76 77</sup> Narrowly designed jobs, as described above, and tight levels of control in particular serve to limit learning.

At the workplace level, one significant gap in the UK system is the lack of any formal attempt to train workers in the theory and practice of workplace learning. In Germany an integral part of the *Meister* (master craftsman) qualification, the stage after apprenticeship, is learning to teach, support and develop people as they learn skills at work. The *Meister* qualification involves teaching others and developing their skills as a matter of course. As a result, every German workplace includes senior workers who have learned to develop others and who see it as part of their job. In the UK while individuals do mentor and develop others there is little support for these activities, either through formal training or informal mentoring and support. Many do mentor and develop, and do it well but relying on individual interest, effort and talent is, at best, unreliable and unsupportive.

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<sup>70</sup> Brown, J.S. and P. Duguid. 2001. "Knowledge and organisation: a social practice perspective." *Organization Science* 12(2):198 - 213

<sup>71</sup> Orr, J. 1996. *Talking about Machines: an ethnography of a modern job*. Ithaca: IRL Press.

<sup>72</sup> Brooks, J., I. Grugulis, and H. Cook. 2020. "Rethinking Situated Learning: Participation and Communities of Practice in the UK Fire and Rescue Service." *Work, Employment and Society* 34(6):1045-1061

<sup>73</sup> Gallie, D. and Y. Zhou. 2020. "Working conditions Employee involvement, work engagement and skill development: How does employee involvement in decision-making benefit organisations?": Eurofound.

<sup>74</sup> Braverman, H. 1974. *Labour and Monopoly Capital*. New York: Monthly Review Press.

<sup>75</sup> Felstead, A., A. Fuller, N. Jewson, K. Kakavelakis, and L. Unwin. 2007. "Grooving to the same tunes? Learning, training and productive systems in the aerobics studio." *Work, Employment and Society* 21(2):189 - 208.

<sup>76</sup> Felstead, A., A. Fuller, N. Jewson, and L. Unwin. 2009. *Improving Working as Learning*. London: Routledge

<sup>77</sup> Littler, C. 1982. *The Development of the Labour Process in Capitalist Societies*. London: Heinemann.

In the UK it is comparatively rare to find workers and professionals who have been actively taught how to develop and mentor others. Many do it and do it well but turning skills acquisition into a local lottery is wasteful.

In addition to improving informal learning, by improving both workplace expertise and the skills to develop others in the workplace, it is also worth examining ways through which formal training can be improved. In the UK, steps have been taken to *Train the Trainers* in a number of mayoral authorities. The Tees Valley has started this process, reducing the number of adult education and skills providers it contracts with from more than 300 to 30 and developing strategic links between private providers, further education colleges and universities to share both expertise and best practice. In Scotland the Tertiary Provision Pathfinders cover both FE and HE, improving both co-ordination and collaboration.<sup>78</sup>

## Next steps

These elements are interconnected. Significant numbers of low-skill, tightly controlled jobs; firms competing on cost; the fact that training is an external cost, and so comparatively easy to reduce; a lack of expertise in, or support for, learning in the workplace; together with a lack of expertise in, or appreciation of, skills-based training mean that, for many employers, reducing training levels is a rational decision, in keeping with organisational strategy.

Clearly the current system cannot be relied on to solve the UK's skills problems. It assumes that enlightened self-interest will result in employers investing in training and skills. Unfortunately, as the evidence demonstrates, while some will, many will not. The involvement of employers is not the solution to declining levels of (employer-funded) training and poor quality (employer-led) training. Nowhere does the *Skills for Jobs White Paper*<sup>79</sup> ask, if employers are indeed the answer, why existing provision is not already of high quality, why there is not more of it, why previous interventions such as the Youth Training Scheme (YTS) and National Vocational Qualifications (NVQs) failed despite the centrality of employers, or how individual employers can be expected to be experts in training and qualifications as well as in their own businesses.

These problems do not mean that employers should not be central to this process, they are and should remain so. Rather, it is to show that the current system focuses on employers only at the initial stages, consulting them on the design of qualifications, and fails to tackle the problems of declining levels of training and job design which signal a lack of involvement in the later stages. Employers are part of the problem as well as part of the solution, and unless we change the current system, the problems of low skills, low productivity, declining levels of training and skills under-utilisation will continue.

We need to look at genuine good practice and learn from it. Idealised assumptions of what all employers *might* do are far less helpful than identifying real examples of what employers actually do well. There are examples of genuinely successful reskilling and

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<sup>78</sup> Keep, E. 2021. "Comparing skills policy in England and Scotland." in *WONKHE*.

<sup>79</sup> DfE 2021b. "Skills for Jobs: Lifelong Learning for Opportunity and Growth." Department for Education.

upskilling, just as there are employers who do train, and who do it well. These are the initiatives from which we need to learn.

One, which may help to illustrate this point, is Energy & Utilities Skills (<https://www.euskills.co.uk/>) which has longstanding experience of this type of collective work. It is a sector level body covering over 60 major employers in power, gas, waste, water and recycling. Part of its remit involves developing and delivering qualifications in the sector. These qualifications are developed collaboratively through both industry experience and educational expertise. Their *Technical Education Advisory Group* involves representatives of 30 major employers at operational level.

This collective grouping enables them to plan qualifications and skills development. One recent example, involved a 'skills deep dive' by Energy & Utility Skills and the National Skills Academy for Power (NSAP) into the skills needed to design, install, maintain and service a range of technologies related to domestic low carbon technologies and the installation of electric vehicle charging points.<sup>80</sup> Their report covered an extensive literature review together with discussions from industry experts and covers the technologies, the impact of government schemes, trends in recruitment activities, consideration of the existing workforce, predictions of future demand, the quality and quantity of future work, compatibility and installation with existing systems, current skills provision and skills gaps, future skills needs, industry standards and regulations, the existing workforce, training capacity, the extent to which existing skills can be transferred, existing National Occupational Standards, apprenticeships, T Levels, accreditation and certification, the role of various industry bodies, policy drivers and incentives, and the transfer of skills from other sectors.

This report is only the first step in developing future qualifications for the sector. It was prepared by an expert group and involved extensive discussions with employers, industry groups, policymakers, training providers and other stakeholders and its recommendations include recommendations for future consultations, engagement and discussions to develop the qualifications themselves together with ways in which the training provided can be quality assured.

This example involves sectoral level collaboration. Such collective input has the advantage of shifting the focus from the immediate daily task to wider future, sectoral and career needs. This approach is not the only route to well-designed qualifications (see, for example Fuller and Unwin 2013 who encourage a focus on occupations).<sup>81</sup>

## Shaping Demand

The key issue here is how to move employers from the role of 'customers' in the skills system to that of co-producers. As observed above, many excellent employers do take the lead in this area but given the declining levels of in-work training and the problems

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<sup>80</sup> NSAP. 2021. "The skills and workforce implications of domestic low carbon technologies & electric vehicle charging points A report to the NSAP Strategy Group." Shirley, Solihull: The National Skills Academy POWER.

<sup>81</sup> Fuller, A. and L. Unwin. 2013. "Apprenticeship and the Concept of Occupation." London: The Gatsby Charitable Foundation

with the lack of skills-utilisation, there is a clear need for a sustained conversation with employers about their contribution to what should be a joint enterprise.

Employers need to be more actively involved and need to also shape the demand side. Many elements of the supply side (schools, colleges, universities) are either under the control of the state, directly or indirectly, and can be ordered or encouraged to change practice. Private sector employers are not under such direct control and even when they wish to change practice, 'path dependencies' of networks, clients, markets, or expertise could challenge progress.<sup>82</sup>

Redesigning jobs to be more skilful may be challenging, but it is possible, and even small adaptations to jobs can serve to improve the experience of work and better prepare workers for progression opportunities. Research reveals the way that café workers in Norway were given responsibility for shop keys or social media accounts and would be consulted on new ways of working, while cleaners would be consulted on cleaning techniques,<sup>83</sup> while the restructuring of retail banking in the 1980s in Germany involved a shift to customer service skills.<sup>84</sup> On a larger scale, collaboration between firms can help to both make jobs more skilful and enable firms to become more competitive. Edwards and colleagues observed a small group of clothing companies which pooled their resources to purchase CAD equipment, allowing them to respond swiftly to changes in fashion.<sup>85</sup>

Governments can do a lot to encourage the upskilling of jobs, shaping practice in the public sector, encouraging initiatives such as the NHS Skills Escalator and ensuring that official contracts privilege good employment practice. It also needs to actively support employers to work collaboratively and upskill workers. The UK has few tertiary organisations which can advise and support businesses and this capacity needs to be boosted.

Some employers need more basic support before they can tackle upskilling. One JP Morgan Foundation project was set up to provide free HR advice to SMEs in Stoke, Hackney and Glasgow to enable young people to access apprenticeships. The employment practices of the SMEs were so poor that all of the project's resources were dedicated to getting employers legally compliant. These firms could not take on apprentices because they did not even have basic HR systems and many had no written contracts of employment with their own workers.<sup>86</sup>

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<sup>82</sup> Edwards, P., C.-J. Tsai, S. Sen Gupta, and M. Ram. 2005. "The embeddedness of productivity and performance: towards a framework based on small firms." in *AIM Working Paper Series*. London.

<sup>83</sup> Torvatn, H. 2011. "Cleaning in Norway: Between Professionalism and Junk Enterprises." in *Work and Life Quality in New and Growing Jobs (WALQUING) Social Partnership Series*.

<sup>84</sup> Lane, C. 1989. *Management and Labour in Europe*. Aldershot: Edward Elgar.

<sup>85</sup> Edwards, P., M. Gilman, M. Ram, and J. Arrowsmith. 2002. "Public policy, the performance of firms and the 'missing middle': the case of the employment regulations and a role for local business networks." *Policy Studies* 23(1):5 - 20.

<sup>86</sup> Keep, E. 2019. "From Learning to Earning: Structural and Policy Issues." in *Young People, Skills and Prospects in Employment: Policy, Practice and Inclusiveness. Developing Understanding of What Works and Why*. Leeds Civic Hall.

So, it is possible to shape demand but it requires clear intervention, not least because, as Keep observes, employers do not collaborate readily on this issue.<sup>87</sup> Collaboration with other employers, contact with external experts and links to markets all help here.

## 1.3 Recommendations:

- i. **Policy recommendations** – Local Skills Improvement Plans (LSIPs) are a potential vehicle for putting these recommendations into practice but need to evolve into groupings which extend employers' involvement beyond simple links to colleges and local providers to stimulate further skills-based training within their own organisations.
  - Move the LSIPs dialogue between providers and employers to the second stage and encourage employers to focus on increasing skills-based training within their own organisations.
  - Measure employers' increased numbers of apprenticeships and adult training.
  
- ii. **Job design recommendations** – a key problem with work in the UK is that jobs are narrowly designed. This design is alienating and limits the opportunities for workers' progression and development. The current labour shortage is encouraging some employers to improve workplace terms and conditions. Redesigning jobs can help to make them more productive, justifying these improvements, improving work intrinsically and facilitating progression. Even small improvements can make meaningful differences to workers.
  - Engage the local and national stakeholder groups in actively upskilling jobs. Again, LSIPs may be a suitable vehicle for this engagement.
  - Improving HR practices so that employers can engage in upskilling and reskilling – this improvement should include not only basic legal compliance on terms and conditions but also how to communicate and engage their workforce in designing upskilling initiatives
  - ACAS can play a role in this and should be adequately funded to maintain and expand this activity.
  
- iii. **Learning support recommendations** – a great deal of learning happens in work and in the workplace. This learning is positive but unsupported, it is easy for such informal learning to be weak. Few workers in the UK learn how to develop others' skills.
  - As part of upskilling and reskilling, introduce qualifications for experienced workers to both boost their technical competence and train them in how to train and develop others in work.

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<sup>87</sup> Keep, E. 2020. "Employers, the ghost at the feast." *Journal of Education and Work* 33(7 - 8):500 - 506.

- Training the trainers. Attention needs to be paid to the development of those responsible for formal training, to develop their skills and expertise in both the subject matter and the educational process.
  - Improve links, collaboration and co-operation between the actors in adult training and education, the private training providers, FE colleges and universities.
- iv. **Using independent advice on skills to drive policy** – the Unit for Future Skills (UFS) in the Department for Education is already actively improving the quality of information on skills. It would be helpful to build on this through an independent body, working closely with the UFS but outside Government and modelled on the lines of the Low Pay Commission, to provide policy recommendations. Some thought would need to be given to how to give these recommendations traction.

Lack of demand, and lack of engagement by employers have exacerbated current problems with upskilling and reskilling. These recommendations will help to overcome these issues.

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This policy brief represents the views of the authors based on the available research. It is not intended to represent the views of all ReWAGE members.

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## About ReWAGE

ReWAGE is an independent expert advisory group modelled on SAGE, which supports the government's strategic response to the recovery and renewal of work and employment in the UK as it tackles the impact of current challenges to the UK's productivity and prosperity. For more information visit: <https://warwick.ac.uk/fac/soc/ier/rewage/>