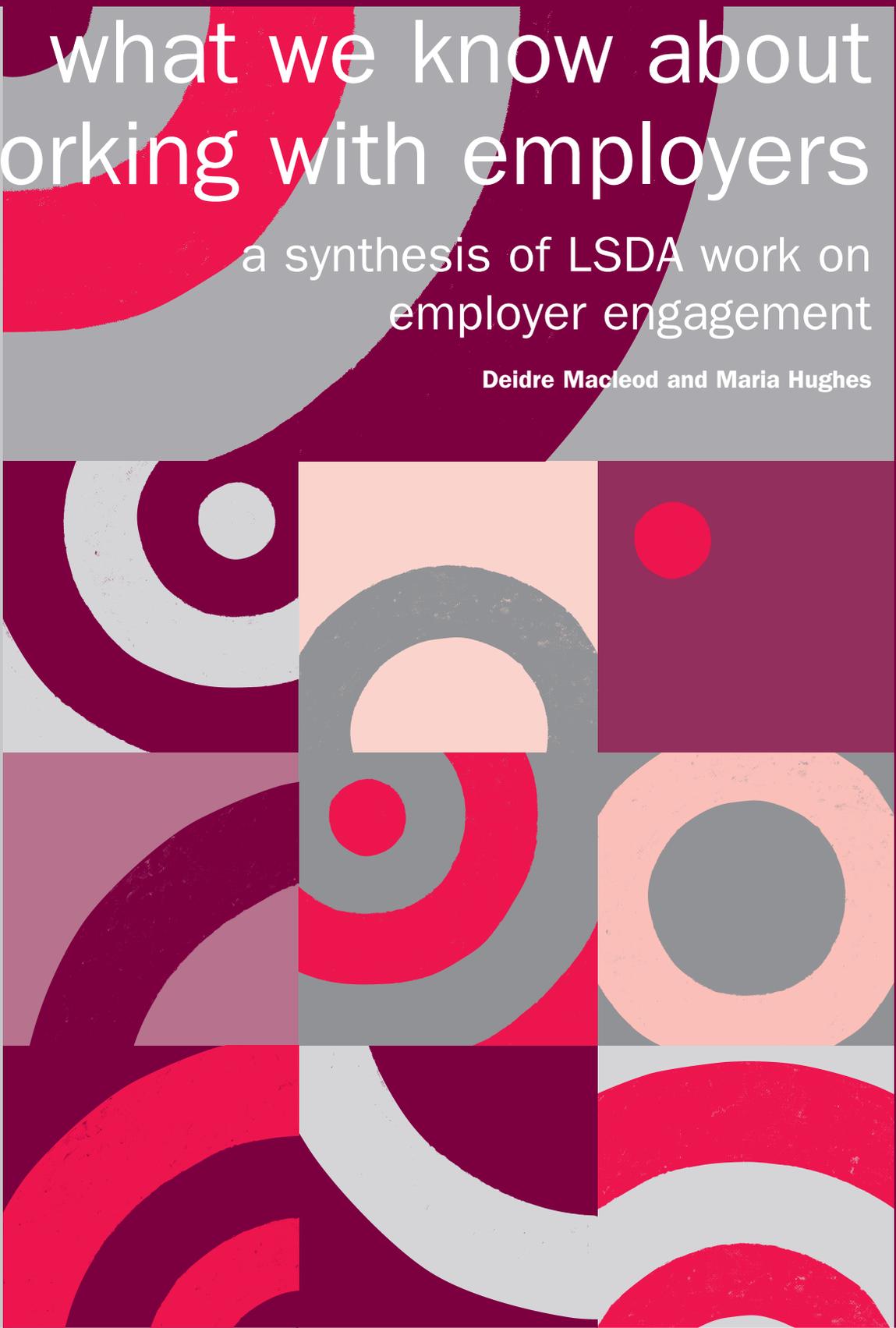research report

what we know about working with employers

a synthesis of LSDA work on employer engagement

Deidre Macleod and Maria Hughes

Further information
For further information about the Learning and Skills Council, visit: www.LSC.gov.uk

Contents

A   Introduction

This paper is a review of work published by the LSDA, and its predecessor organisation FEDA, on employer engagement between 1999 and the present.

The review highlights work by the LSDA on the development and implementation of policy and practice on employer engagement from within a wider body of work on aspects of vocational learning and skills provision. By publishing the review, the LSDA aims to enhance the understanding of policy developers and practitioners within the learning and skills (LSC) sector about employer engagement.

It offers:

- a summary of recent thinking by the LSDA about the development of policy and practice on employer engagement
- an overview of the main messages from LSDA literature
- a summary of proposals for effective practice and on the future development of employer engagement recommended within the literature
- a list of references for the publications to which the review refers.

The review is designed to inform a programme of work which is being conducted by the LSDA in 2005 on:

- employers' views on employer engagement (SR691), which is considering effective practice in employer engagement from the perspective of employers, including an appraisal of what constitutes effective practice in their engagement with providers
- responding to the needs of employers and employees (SR690), which is examining what responsiveness to the needs of employers and the workforce entails – generally, and in relation to four occupational sectors, construction, IT, engineering and new media.

The review has been designed so that individual sections may be read independently of other sections, should the reader so wish. This means that some messages may be repeated in more than one section.

B   Summary of messages and issues from LSDA literature

- Until relatively recently, 'employer engagement' was interpreted as being mainly about a 'customer–supplier' relationship between learning providers and employers. However, government policy documents now discuss a wider range of ways in which employer engagement can contribute to improving business productivity and economic performance. As a result, a broader understanding and interpretation of what employer engagement means has developed.

- Employer engagement needs to be developed and understood in a more rounded fashion. It is about involving employers in the wider work of a college, and in the development and delivery of provision in ways that are mutually beneficial and suitable for the specific employer and the provider. There is no 'one-size' template which can fit all employers or providers, and nor should there be. All providers need to consider the most appropriate form of employer engagement in relation to their mission and in discussion with their LSC. In turn, each local LSC needs to ensure that there is appropriately responsive provision across its provider network.

- The LSDA has developed a typology of employer engagement which describes three key ways in which employers might work with learning providers:
  - employers as **stakeholders,** in which they provide leadership through their involvement in the design, development, management, delivery and assessment of learning
  - employers as **consumers,** in which they purchase diagnostic services and skills development from LSC-funded providers
  - employers as **strategic partners**, in which there is sustained interaction between employers and the planners and providers of learning.

- Conditions are needed which foster relationships between employers and providers that are mutually beneficial, flexible and responsive to the needs of each partner/stakeholder; and that are built on trust and open, two-way communication channels to which all parties are fully committed. We may also need a deeper and wider understanding of what makes employers collaborate before we can understand how to promote employers' engagement with colleges.

- To develop a more mainstream approach to employer engagement, providers need to encourage staff throughout their organisations to understand the potential benefit of involving business and industry and to take individual responsibility for developing and sustaining relationships with employers.

- One way of doing this may be to consider changes to their mission and purpose. The extent of these changes will vary, but providers may wish to consider developing a mission that sees employers as customers, analogous to the approach taken with individual learners, and which promotes the development of an employer-related strand within staff development programmes.

- It is not yet possible to identify a specific package of measures which might bring about successful employer engagement. Partly, this is because interpretations of employer engagement are still developing, and most practice identified by the LSDA addresses more traditional concepts of employer engagement. It is also because the

way in which providers are likely to want to develop their approach to engaging employers will depend upon the particular focus of their work and the circumstances and interests of their learners and local employers. The LSC and learning providers may wish to bear this in mind as they develop activity in this area. Notwithstanding this, the LSDA is developing overarching, general principles for effective practice in its current and very recent work on developing the responsiveness of providers to the needs of particular industrial sectors. These principles include:

- the importance of creating an **identified point of contact** within the provider, with knowledge of each particular business

- providing training that is **relevant to business needs**

- delivering **cost-effective** provision

- ensuring a **rapid response** to requests and queries

- providing **regular updates** and feedback on the training and development of a firm's staff

- **minimum disruption** to work patterns

- **flexibility** of delivery, assessment and qualifications

- **high quality** of both interaction with an employer and delivery of programmes

- **simplifying** wherever possible any administrative processes which involve the employer.

- In small companies, the importance of context cannot be overestimated. Understanding the context in which small firms operate is a crucial factor in supporting better learning and performance within micro-businesses; for example, better support for informal learning may be as important as exhortations to take up more formal learning opportunities.

- If collaboration with employers is to realise its full potential, providers need to think carefully about how they can create, and make use of, the widest range of employer-related activities within their organisations. The literature upon which this review is based has stressed the importance of encouraging teaching staff to see that working with employers can really help them and their students, giving staff the opportunities and confidence to develop links with local firms, and of resourcing such developments adequately.

- Employer engagement needs careful consideration at policy level too. The current review of further education by Sir Andrew Foster gives the government and its stakeholders an important chance to develop a clearer understanding of employer engagement in the context of a first principles examination of the purpose of further education. The LSDA hopes that the review will explore how further education colleges might make employer engagement a central part of their work, while recognising that the focus, nature and scale of these activities will differ for colleges, according to their size, geographical location and learner and employer 'catchment' area.

- While the policy framework to support employer engagement is now beginning to fall into place, some important issues remain to be addressed. Current policy initiatives on employer engagement focus primarily on making the 'supply-side', that is learning

providers, more responsive towards employers. Yet more may need to be done by government to persuade employers of the benefits of working with learning providers, perhaps by working through sector skills bodies and employer organisations. There may also be limits to the extent to which providers alone can directly encourage employers to work with them. Appeals for engagement may be more effective when mediated through employer and sector skills bodies and trade unions.

- Encouraging learning providers to 'mainstream' employer engagement within their organisations requires knowledge and confidence about how to do it. There may be an important role for the Centre for Excellence in Leadership (CEL) in developing the skills and competences associated with mainstreaming employer engagement. The review of further education by Sir Andrew Foster may help in defining these skills.

- Embedding employer engagement measures within the post-16 providers' current round of three-year funding and development plans is a key step forward in raising the profile of employer engagement and in making it real. However, it is essential that definitions of 'what counts' as employer engagement under the targets are as wide as possible. To do otherwise could circumscribe the wide variety of activity already under way within the sector and act to curtail the natural development of relationships with employers.

- Moreover, funding arrangements to support employer engagement need to recognise that the early stages of building relationships with employers can be potentially resource-intensive, with little prospect of immediate commercial return. Funding risky and experimental activity is not a comfortable idea within public sector funding arrangements, but for every success there will be some failure, and funding arrangements need to be developed that accept this.

- Finally, we need more research into employer engagement which will allow us to understand how some of the less widespread collaborative employer activities and forms of relationships might become established more widely. While the customer–supplier relationship, where employers are purchasing learning provision, remains a key form of interaction for learning providers, there are other equally significant types of engagement. We now need to understand what it means to form strategic alliances with employers, or to support business development more broadly, and what needs to happen to be in place to support these important activities.

C   The national policy context

Overview

Until relatively recently, 'employer engagement' has been interpreted as being mainly about a 'customer–supplier' relationship between learning providers and employers. However, government policy documents have begun to discuss a wider range of ways in which employer engagement can contribute to improving business productivity and economic performance. As a result, a broader understanding and interpretation of what employer engagement means has developed.

Introduction

Over the past five years, post-16 learning and skills policy has become increasingly concerned with the role of skills, learning and workforce development in securing improved economic productivity, and in defining more clearly the contribution that the post-16 learning and skills sector can make in helping people become more employable. This area of policy development has been described broadly as 'the skills agenda'.

The government's policies for vocational skills were set out initially in its Green Paper *The Learning Age* (1998).[1] In a chapter on learning at work, the government ascribed to employers, the self-employed and their employees, along with trade unions, a prime responsibility for improving learning in the workplace. Policy was refined and developed through the work of the National Skills Task Force in 1999[2] and was articulated most recently in the National Skills Strategy (2003).[3]

In 1999, the White Paper *Learning to Succeed* described the institutional and organisational arrangements through which vocational skills and learning provision would be funded and delivered. It set out arrangements through which business could engage with the (then) planned learning and skills councils so that employers would have the opportunity to influence the skills provision within their local labour force – the government's side of the bargain in improving workforce skills.[4]

The Secretary of State's address to the Association of Colleges conference in November 2000, *Colleges for Excellence and Innovation,* set out, for the first time since incorporation, a distinct role for colleges in supporting employers in skills development, describing, in particular, proposals for Centres for Vocational Excellence (CoVEs), which would have the delivery of skills and services needed for innovation and business productivity at their heart.[5]

More recently, in 2002, *Success for All* set out a reform strategy designed to improve the responsiveness and quality of post-16 provision, improve teaching and learning practice,

---

[1] The Learning Age: A Renaissance for a New Britain, Cm 3790, Department for Education and Employment (1998)
[2] Skills Task Force: first second and final reports, Department for Education and Employment (1999)
[3] National Skills Strategy, Department for Education and Skills (2003)
[4] Learning to Succeed: A New Framework for Post-16 Learning, Cm 4392, Department for Education and Employment (1999)
[5] Colleges for Excellence and Innovation: Statement by the Secretary of State for Education and Employment in the Future of Further Education in England, Department for Education and Employment (2000)

develop staff working in the post-16 sector and create a policy and funding framework within which the sector could improve and flourish.[6] Employer engagement contributes to the success of each of the objectives of *Success for All.*

The term 'employer engagement' was introduced within policy discourse on vocational skills relatively recently in the White Paper *Learning to Succeed*. Prior to the appearance of the term 'employer engagement', policy documents referred to employer–education links, support by providers for local businesses and the need for colleges and other providers to achieve 'openness' and 'responsiveness' to local businesses and the community. In particular, the term 'provider responsiveness' has been used frequently, and sometimes interchangeably, with employer engagement. Recently, the LSC has begun to use the term 'greater responsiveness to the needs of employers' in preference to 'employer engagement'.

The role of employers in vocational learning has tended to be viewed in terms of a fairly narrowly-defined 'customer–supplier' relationship, concerned with contributing towards the cost of provision and influencing the content of post-16 learning and skills programmes. While these roles are, and remain, important, a broader interpretation of 'employer engagement' has emerged, prompted by a number of developments within the current policy debate on vocational skills.

The National Skills Strategy analyses and conceptualises the relationships between national economic productivity, skills needed by business and industry, employers and skills providers. The analysis proposes that economic productivity is driven by the acquisition of skills and business innovation; employers can work with learning providers to achieve improvements in both. Importantly, the Skills Strategy argues for engagement in post-16 learning, and employers should see skills as being of benefit to their businesses; skills can help firms achieve their central aims of improved performance and profitability.

Improving responsiveness to employer and employee needs

Central to the rationale for policy on employer engagement is helping to ensure that vocational skills provision matches the needs of employers and employees; the view being that involving employers in discussions about skills needs helps inform the development of programmes offered by providers and thus ensures providers' 'responsiveness' to employers' skills needs. The Skills Strategy contains proposals for funding incentives to encourage the development of effective working relationships between employers and providers to help create more responsive provision. It also proposes making it easier for providers to tailor programmes to meet specific needs by improving the flexibility of the qualifications framework and enabling the unitisation of qualifications.

The role of the further education sector in skills development

The LSDA's response to the Skills Agenda argued that the further education sector's role in skills development to support economic competitiveness had been, to date, largely unexplored. It identified the need for 'a responsive delivery system that lays down the broad foundations of learning and also secures rapid and efficient updating to meet new demands.'[7] Key dimensions of such a system would include:

---

[6] Success for All: Reforming Further Education and Training, Department for Education and Skills (2002)
[7] The Skills Agenda: Issues for Post-16 Providers, Hughes M and Mager C, LSDA (2000)

- developing new programmes to meet skills needs

- regular and systematic updating of the skills of teachers and trainers

- involving customers in shaping publicly-funded education and training.

Employer engagement is necessary to support each these activities. The implication of this, for the LSDA, is that engaging employers needs to be a central part of the FE sector's mission, rather than a marginal and optional activity.

Success for All articulates the government's vision of a modern further education sector and argues that a successful link between employers and providers and better employer engagement is essential to achieving the objectives of reform. *Success for All* describes a new post-16 planning system that encourages better responsiveness of providers to employers' skills needs and encourages colleges to develop their vocational expertise through industrial secondments for existing staff and through greater recruitment by providers of staff from industry. In doing so, *Success for All* helps extend policy interpretations of what employer engagement may mean and what it can help to achieve.

Thinking on the role of colleges in vocational skills delivery has been most explicit in the development of the Centres of Vocational Excellence (CoVEs). A key aim of the CoVE programme is to increase and strengthen active employer–provider engagement to underpin, develop and strengthen innovative and flexible approaches to meeting employers' current and future skills needs. It also seeks to give more people from all backgrounds access to high-quality vocational training and to spread good practice throughout the post-16 training sector.

16 FE pathfinder CoVEs were established in September 2001 with a commitment by government that half of all general FE colleges should have at least one CoVE by 2003/4. The CoVE programme was later extended to include other learning providers as well as colleges. Funding has now been made available to enable the development of 400 CoVEs by 2006 to meet national, regional and local skills priorities. By the first quarter of 2005, 309 CoVEs had been designated, some of these being in their fourth year of operation, and others at earlier stages of development.

Greater involvement of the Regional Development Agencies (RDAs) and sector skills councils (SSCs), as their capacity has grown, in agreeing and defining the needs that the CoVE network should address, has resulted in the skills messages becoming clearer and the relationship to employers and the economy more sharply focused.

The second skills White Paper[8] gives an even stronger voice to the SSCs in defining the demand-led approach and in shaping the responsive offer that CoVEs must provide to ensure they deliver on the skills agenda. The recently announced Skills Academies, which are expected to be employer-led organisations setting the benchmark for vocational learning, are expected to work closely with CoVEs and other providers to increase the quality and relevance of the skills delivery system.

---

[8] *Skills: getting on in business, getting on at work*, DfES, March 2005

D   Overview of LSDA literature

Overview

This section provides a brief description of the types of literature discussed within this review. Footnotes provide full publication details for each document referred to.

Introduction

The publications referred to within this review have been written for a variety of purposes and intended audiences and so contain different types of information. Some strategic policy-oriented publications have been aimed at national policy-makers, whereas other practice-oriented publications have staff and managers of learning providers in mind.

Employer engagement and provider responsiveness is present as the main focus of some LSDA research, particularly in more recent work, but, more frequently, it has occurred as a supporting theme in work concerned primarily with enhancing the delivery of the vocational curriculum, skills development or improving collaboration between providers.

While the range of possible applications and interpretations of employer engagement is now acknowledged in more theoretical literature by the LSDA, more practical material concerned with identifying and developing good practice has tended to focus on the more traditional activities concerned with engaging employers in workforce development and work-based learning. This reflects the recent policy focus; it is likely that future work will explore practice and provide more detailed guidance on other aspects of employer engagement, such as developing employers' roles as strategic partners.

The literature reviewed falls into a number of different categories, with some falling into more than one of these categories:

Discussion and advice on policy development

Early work introduced the term 'employer engagement', and later work has sought to interpret the idea of employer engagement more fully, building on and drawing from research on related areas of skills development, partnership working and the implications of greater specialisation in the types of post-16 providers and the concept of the 'college for business'. This work includes:

- The New Learning Market (1999)[9]
- Understanding and Sustaining Employability (2000)[10]
- The Skills Agenda: Issues for Post-16 Providers (2000)
- Success for All: Reforming Further Education and Training: LSDA Response (2000)[11]
- Developing the College for Business in Sussex (2003)[12]

---

[9] The New Learning Market, edited by Mager C and Robinson, FEDA/IPPR (1999)
[10] Understanding and Sustaining Employability: conference version, Hughes M and Stoner F, LSDA (2000)
[11] Success for All - Reforming Further Education and Training: response by LSDA, LSDA, (2002)
[12] A Basis for Skills: Developing the 'College for Business' in Sussex (Part of an LSDA collection) Hughes M and Stanton G, LSDA (2003)

- Successful engagement: Guidance for Colleges and Providers on Effective Employer Engagement in Post-16 Learning (2003)[13]
- Reviewing the Impact of Employer Engagement Targets (2004).[14]

Achieving excellence

Another body of work investigates the range of ways in which colleges can maintain responsive and high-quality vocational provision. A key theme is the way in which colleges can draw upon industry support and expertise in a variety of ways to help support excellence in their curriculum. These publications tend to report 'what works' rather than give detailed advice on how to implement such strategies. Work includes:

- Searching for Excellence in FE colleges (2001)[15]
- Working towards skills (2002)[16]
- From competence to excellence (2003)[17]
- A cut above (2004).[18]

Effective practice in aspects of employer engagement

Proposals for improving and extending links with employers can be found in work concerned with improving the vocational curriculum, developing partnerships with employers and other organisations, and improving work-based learning. Work includes:

- Getting Employers Involved (2001)[19]
- Successful Engagement (2003)
- Pushing Back The Boundaries (2004)[20]
- Developing Responsiveness in Vocational Education and Training (2001)[21]
- Matching Skill Needs to Training Provision in the Electrotechnical Industry; Project Final Report (2002)[22]
- Partnerships For Skills: Investing in Training for the 21st Century (2000)[23]
- How Colleges are Working with Small Businesses (LSDA)[24]
- How to Work with Micro-Businesses (2001)[25]
- Encouraging Higher Recruitment to Technician Engineering Training (2001).[26]

[13] Successful Engagement: Guidance for College and Providers on Effective Employment in Post-16 learning, Hughes M, LSDA (2003)
[14] Reviewing the Impact of Employer Engagement Targets, Hughes M, LSDA (2004)
[15] Searching for Excellence in FE colleges, Hughes M, Smeaton B, LSDA (2001)
[16] Working Towards Skills, Hughes M, Keddie V, Webb P, Corney M (2002)
[17] From Competence to Excellence: Developing Excellence in Vocational Skills, Smeaton B, Hughes M, Hall G, LSDA (2002)
[18] A Cut Above, Hughes M, Smeaton B, Hall G, LSDA (2004)
[19] Getting Employers Involved: Improving Work-Based Learning Through Employer Links, Taylor S, LSDA (2001)
[20] Pushing Back the Boundaries: Working with Employers and Other Partners, Smith V, Support for Success Quality Improvement Programme, LSDA/LSC (2004)
[21] Developing Responsiveness in Vocational Education and Training, Hughes M, McPherson S, LSDA (2001)
[22] Matching Skill Needs to Training Provision in the Electrotechnical Industry: Project Final Report, Weiss C, LSDA (2002)
[23] Partnerships for Skills: Investing in Training for the 21st Century, Hughes M, Cottam S, LSDA (2000)
[24] How Colleges are Working with Small Businesses, LSDA (2000)
[25] How to Work with Microbusinesses, LSDA (2001)

Evaluations of activity relating to employer engagement

Recently, the LSDA has produced a guide for providers, commissioned by the DfES and LSC, on achieving effective employer engagement. The guide gives examples of how colleges and providers might respond to the needs of employers and their employees and suggests how to extend this practice in relation to the headline improvement targets for employer engagement proposed in *Success for All*. The LSDA has also undertaken a review of the early impact of employer engagement targets. Work includes:

- Successful Engagement: Guidance for Colleges and Providers on Effective Employment in Post-16 Learning (2003)[27]
- Reviewing the Impact of Employer Engagement Targets (2004).[28]

---

[26] Encouraging Higher Recruitment to Technician Engineering Training, Shirley T, Weiss C, LSDA (2001)
[27] Successful Engagement: Guidance for Colleges for Providers on Effective Employment in Post-16 Learning, Hughes M, LSDA (2003)
[28] Reviewing the Impact of Employer Engagement Targets, Hughes M, LSDA (2004)

E   Developing thinking on employer engagement

Overview

Thinking on the role of employer engagement continues to develop. The current review of the role of further education by Sir Andrew Foster may help clarify the roles of the further education sector and employers in employer engagement and, as a result, might help define further the way in which providers should seek to work with employers.

Provider responsiveness and employer engagement needs to be developed and understood in a broader sense. It should include involving employers in the wider work of a college, and in the development and delivery of provision in ways that are mutually beneficial and suitable for the specific employer and the provider. There is no single form of responsiveness or employer engagement, and, given the range of needs and heterogeneity of employers, a 'one-size' template would be inappropriate. All providers need to consider the most appropriate form of employer engagement in relation to their missions and in discussion with the LSC. In turn, local LSCs need to ensure that there is appropriately responsive provision across its provider network.

Defining what we mean by employer engagement

The LSDA's analysis of the impact of the LSC's employer engagement targets found that employer engagement is a complex concept, and that it is not possible to arrive at a single, shared definition. The perspective and role of individuals within different providers can affect their understanding of what employer engagement means.

> *Providers… gave a range of definitions of employer engagement. Some understood it as being about increasing and improving their own engagement with employers. Others, particularly work-based learning providers, saw it as the employers' increased engagement in developing their own workforce. This is a fundamental difference.*

> *Some, mainly FE providers, had a very broad view of employer engagement, interpreting it as being more than selling training, and being concerned with developing relationships and signposting employers to solutions to meet their business needs.*

Understanding this is important, because definitions and perceptions can work to restrict or extend the scope of the relationship that might develop. A single, narrow definition of employer engagement might not encompass the full range of productive employer interactions with learning and might limit ambitions in extending useful work. Moreover, failure to develop a broader, shared definition could create confusion among local LSCs, providers and employers alike.

The LSC and learning providers should seek to create a broad definition of employer engagement, and to move away from seeing employer engagement as simply being about meeting business needs in a narrow customer–supplier relationship, creating instead more multi-dimensional 'strategic alliances' between providers and employers.[29] Crucially,

---

[29] Partnerships for Skills: Investing in Training for the 21st Century, Hughes M, Cottam S, LSDA (2000)

employer engagement should be interpreted sufficiently broadly to encompass different provider missions.

The rationale for employer engagement

Commitment to employer engagement is likely to be enhanced if the purpose of activities is well understood by providers and employers alike. Moreover, the range of activities undertaken by providers that involves employers may increase if the rationale for engaging them is clear. In its work on target-setting, the LSDA argues that greater clarity in articulating the role and purpose of employer engagement could help bring about a more coherent approach to target-setting and make better use of employers as a strategic resource for learning.[30]

A recurring theme within the work surveyed as part of this review is the importance of developing sustained relationships with employers as a means of achieving high-quality provision.[31] In *Searching for Excellence,* engaging employers is mentioned explicitly as a key success factor in securing vocational excellence, in:

- developing a focused mission and strategy
- developing first-rate teaching by expert staff
- creating relevant and coherent content
- acquiring appropriate equipment and accommodation.

The Skills Agenda suggests three key ways in which providers might improve their offer to meet employer needs.[32] Employer engagement could contribute to achieving each one:

- Providers need to develop new learning programmes rapidly to meet needs.

- Regular and systematic updating of the skills of teachers and trainers needs to occur to ensure that staff are able to deliver effectively the knowledge and skills needed to support economic competitiveness.

- Customers, whether individual learners, employers or communities, should be influential in shaping the education and training supported by public funds.

Explicit discussion of the rationale for employer engagement can also be found in *Successful Engagement*:

> *Employer engagement is vital to the development of skills for productivity. The term is useful shorthand but it underpins the need to secure employers' involvement in the design, development, management and delivery of post-16 learning. Provision that is responsive to the skill needs of employers and the workforce will support the increased productivity, competitiveness and efficiency of individual organisations and the wider economy.[33]*

---

[30] Reviewing the Impact of Employer Engagement Targets, Hughes M, LSDA (2004)
[31] Searching for Excellence in FE Colleges, Hughes M, Smeaton B, LSDA (2001)
[32] The Skills Agenda: Issues for Post-16 Providers, Hughes M, Mager C, LSDA (2000)
[33] Successful Engagement: Guidance for Colleges and Providers on Effective Employment in Post-16 Learning, Hughes M, LSDA (2003)

The following purposes for employer engagement can be found in LSDA literature as:

- a means of matching skills needs to training provision
- a form of collaboration
- a way of improving the supply of young people into industries by helping inform them about the possibilities, and benefits, of careers in particular industries
- a medium for securing effective employment for students
- a means of developing workplace learning
- part of a wider suite of activities aimed at improving vocational skills levels
- a means of developing an effective curriculum in order to improve vocational skills
- a way to enable teaching staff to ensure that their vocational expertise and knowledge is up to date
- a means of helping businesses improve their productivity through service, product or process innovation
- a means of recruiting visiting lecturers
- sites for student visits to excellent industrial establishments
- an aid to providing appropriate equipment.[34]

Constructing a typology of employer engagement

Reviewing the Impact of Employer Engagement Targets suggests developing a typology of employer engagement to describe the range of activities on which providers might work with employers. The typology could help clarify the part employers are being asked to play and ensure that the role is appropriate to the particular circumstances.

The typology sets out a range of activity, under three broad headings:

- employers as *stakeholders*, in which they provide leadership through their involvement in the design, development, management, delivery and assessment of learning. Examples include:
  - providing work experience places
  - acting as visiting speakers
  - advising on the curriculum and its assessment
  - participating in college governance

---

[34] From Competence to Excellence: Developing Excellence in Vocational Skills, Smeaton B, Hughes M, Hall G, LSDA, (2002) and A Cut Above (Hughes M, Smeaton B, Hall G, LSDA (2004)

- employers as *consumers,* in which they purchase diagnostic services and skills development from LSC-funded providers. Examples include:
  - purchasing training needs analysis services to identify workforce development needs
  - using information, advice and guidance services to source training provision
  - buying bespoke training for updating
  - using customised day release or regular provision as part of company training

- employers as *strategic partners,* in which there is sustained interaction between employers and the planners and providers of learning. [35] Examples include:
  - using LSC sector providers as sources of support for business development
  - collaborating with planners in developing new provision for the benefit of their own company and the wider sector
  - contributing in cash or in kind to new or updated resources for learning – joint ventures and shared training facilities
  - sharing or subsidising specialist staff.

Specific models of employer engagement

The implications of greater specialisation within learning providers were explored in *Searching for Excellence.* The report described the desired qualities of Centres of Vocational Excellence and recommended ways in which employers might be engaged to help make the idea a reality.

The report concluded that it is unlikely that a single model for delivering specialist vocational education and training would be appropriate; different types of specialism require different approaches. Instead, the most appropriate arrangement might be a network approach in which partner colleges are linked via specialisms with lead or 'teaching' colleges. Such an approach could provide a focal point for employers and other key players and could promote excellence throughout the sector.[36]

The concept of the 'college for business' has also emerged from policy development work on provider specialisation. It describes a model for colleges that see their core purpose as meeting the needs of business and industry, as distinct from colleges with a mission to serve the needs of the community, or to prepare young people for higher education.

---

[35] Reviewing the Impact of Employer Engagement Targets, Hughes M, LSDA (2004)
[36] Searching for Excellence in FE Colleges, Hughes M, Smeaton B, LSDA (2001)

Pilot work with colleges in Sussex confirmed the importance of each of five distinct types of activity within the college for business:

- a 'gateway to the workplace': where initial knowledge and skills are developed – this may be defined by age, for example provision for 14–19 year olds on college or work-based programmes, but it could also include provision for higher education graduates and returners to the workforce

- adaptation and updating: providing training for the current workforce to acquire new processes and adaptation

- problem-solving and innovation: developing services to accelerate innovation or solve business problems

- support networks for small and medium-sized enterprises (SMEs): to support the exchange of ideas and good practice

- an underpinning mission and infrastructure: to support the implementation of the model.

Each of these dimensions can complement and enhance the others. For instance, support for innovation may generate a subsequent need for programmes of adaptation and updating. Also, staff involvement in support work with companies appears to enable them to improve retention and achievement on gateway provision.

A particularly significant conclusion from the work on developing a college for business was that it is important that providers recognise the fullest possible range of ways in which providers can engage with businesses.[37] The project researchers found that it was important to reiterate regularly that the 'college for business' concept was not solely concerned with developing full-cost provision for employers.

The 'college for business' concept also recognises the importance of:

- developing a good grounding in vocational learning for people entering the workforce for the first time, or making a significant career change

- the need to enable companies to carry out problem-solving and R&D activity, which may then create a need for further training and development

- encouraging a culture of learning and self-help among small companies

- a clear and repeated signal from the LSC that the 'college for business' concept was central to their planning and future funding priorities

- strong and consistent leadership from senior college staff

[37] A Basis for Skills: Developing the 'College for Business' in Sussex (Part of an LSDA collection) Hughes M, Stanton G, LSDA (2003)

- opportunities to consider and clarify the 'college for business' concept, and take part in its further development

- the availability of support for the key staff in colleges to help them spread the ownership of the developments among other college staff.

Previous initiatives aimed at developing colleges' responsiveness to business failed to bring about a culture change because they remained marginal activities undertaken by few of the full-time staff in the college. The 'gateway to the workplace' dimension requires all staff to consider how their learners can develop awareness of the world of work through their regular curriculum.

Issues associated with employer engagement targets

One of the most recent developments relating to employer engagement is the creation of headline improvement targets for employer engagement (now termed 'provider responsiveness') within college three-year funding and development plans. The LSDA worked with the LSC and Department for Education and Skills to produce guidance in 2003 on how to set employer engagement targets.[38]

A subsequent evaluation of the early impact of these targets found that a very wide range of activity takes place within colleges in relation to employer engagement and that it is difficult to classify this activity into a small number of clearly defined categories. This difficulty has implications for making both specific and general judgements about the impact of the activity. Moreover, it was found that the range and volume of activity reflected in targets does not necessarily reflect the actual volume and range of activity taking place in the sector.[39]

Setting explicit targets for employer engagement activities as part of the development planning process has helped increase its volume and quality. Setting targets has helped providers consider carefully what local companies need and how they can be actively supported. The evaluation report also notes that there is a commonly held belief that employer engagement targets could change behaviour and improve the relevance of provision.

Recent changes to the development planning process reflect the growing understanding of the role of employers in skills development. LSC Planning Guidance notes that headline measures replace headline targets, in order to align activity to the achievement of Public Service Agreement (PSA) targets, and that provider responsiveness replaces employer engagement.

The potential benefits of employer engagement

Much of the discussion of the benefits of employer engagement comes from material designed to help colleges persuade employers that working with them will be beneficial and to draw employers' attention to relevant college activities about which they might not be aware. A key selling-point for providers wishing to engage employers is that collaboration

---

[38] Successful Engagement: Guidance for Colleges for Providers on Effective Employment in Post-16 Learning, Hughes M, LSDA (2003)

[39] Reviewing the Impact of Employer Engagement Targets, Hughes M, LSDA (2004)

between providers and employers can help create more relevant learning provision which, in turn, may produce a more appropriately skilled workforce.

Mutual benefit to employers and providers

There is a strong sense within the work reviewed of the need to present collaboration between employers and providers as being of equal and mutual benefit; both sets of organisations can learn from each other's business models and processes. For example:

- Learning provider staff who undertake development work with companies not only increase the likelihood of employers seeing the need for workforce development, but also gain staff development and updating for themselves.
- If colleges or providers help to establish or maintain learning networks of SMEs, this may result in the creation of consortia to secure cost-effective training, or enable groups of firms to collaborate in providing Modern Apprenticeships, with commercial benefits for the providers involved.
- While monitoring work-experience placements for full-time students, staff may also identify other training from which existing employees could benefit.[40]

Many medium-sized and large companies now see the benefit of increased competitiveness from developing their workforce. Consequently, there may be potential opportunities for colleges to secure contracts for workforce development, involving a significant proportion of the workforce, to upgrade the skills of existing staff and develop unskilled employees who may also have basic skills needs. Providers may also be able to develop services to support in-company training, such as help with diagnosis of needs and the administration of qualifications. Meeting the needs of micro, small and medium-sized companies may be more challenging, but many colleges have formed productive relationships with small firms, or groups of them, and have found mutually advantageous ways of working together. This work requires flexible approaches and a 'can-do' attitude, and may have implications for the way the whole college operates.

Better learning and skills

Getting Employers Involved argues that employer engagement can have real benefits for teaching and learning in work-based learning, especially for more disadvantaged learners.

> *Involving employers helps reinforce theory with practical experience by providing opportunities to apply and test understanding. Close links with employers can also help increase learners' motivation and commitment to completing a learning programme successfully, by providing clear goals to aim for and demonstrating the value placed on learning by the employer or workplace supervisor.*

It discusses a range of different forms of employer engagement for curricular excellence, including:

- the benefits of engaging lecturers with recent experience in the industry sector to help ensure first-rate teaching from expert staff – part-time and visiting lecturers can remain active in their occupational area and so bring greater relevance to learning in the areas in which they teach

---

[40] Successful Engagement: Guidance for Colleges for Providers on Effective Employment in Post-16 Learning, Hughes M, LSDA (2003)

- ensuring relevant and coherent content – employer involvement in planning and delivery is vital, as is close contact with sector skills councils and business, to enable colleges to provide relevant and up-to-date training and to deliver effective work-related projects; close links with employers can also enable students to work on live briefs to professional standards.[41]

The research finds that there may be a correlation between the involvement of staff working with companies and success rates of full-time learners; although some staff may feel that time spent working with companies risks damaging the interests of their other learners, the experience gained and learning materials produced can result in more relevant mainstream provision, so improving retention and achievement.[42]

Increased employability

Getting Employers Involved argues that enabling learners to apply knowledge in real situations through work-based learning should develop their work-related skills and make them more attractive as employees. Work-related placements may also benefit employers, who may be able to recruit those who have completed successful placements. These individuals will be familiar with the company's culture and may have been trained or be ready to be trained in skills directly related to their business operations.

---

[41] Searching for Excellence in FE Colleges, Hughes M, Smeaton B, LSDA (2001)
[42] Successful Engagement: Guidance for Colleges for Providers on Effective Employment in Post-16 Learning, Hughes M, LSDA (2003)

F   Creating the conditions for employer engagement

This section aims to draw out some of the high-level lessons, conclusions and insights from the literature about how to engage employers. It identifies factors that can create an environment in which employer engagement can flourish. The next section, section G, describes more specific examples of practice which may be effective in encouraging employer engagement.

Conditions are needed which foster relationships between employers and providers that are mutually beneficial, flexible and responsive to the needs of each partner/stakeholder, and which are built on trust and open, two-way communication channels to which all parties are fully committed. We may also need a deeper and wider understanding of what makes employers collaborate before we can understand how to promote employers' engagement with colleges.

Barriers to employer engagement – for employers

In creating the conditions for engagement, providers may need to overcome a number of barriers experienced by employers. The literature on barriers to engagement focuses mainly on workforce development, rather than on barriers to the more general collaboration between employers and providers as strategic partners and stakeholders.

Not recognising the benefits of their input to providers

The forthcoming LSC-commissioned evaluation of Centres of Vocational Excellence (CoVEs)[43] reported that engaging employers, and particularly SMEs, remains a challenging area, partly because employers do not recognise the potential benefits of their input. Employers often have little experience of collaborating with learning providers; this may help to reinforce employers' lack of awareness of the potential value of their involvement. As many firms, particularly smaller ones, train episodically, and have limited exposure to learning providers as customers, employers may also have limited opportunities to find out about relevant training and business support offered by the college.

Awareness, identification and communication of skills needs

A number of reports explain lack of engagement in terms of employers' belief that learning providers are not proficient in identifying and defining skills needs. There is also uncertainty about whether employers and providers speak a 'common language' when it comes to discussing skills needs. The CoVE evaluation found that employers may actually be unaware of their skills needs and may not be alert to the value of workforce development or to the competitive pressures that require a skills-based response.

Recognising the benefits of engagement with employers

Employers may need to see clear benefits from workforce development in order to allocate time to these activities. Employers may not always understand the value of workforce development and may, therefore, allocate little attention and resources to developing

---

[43]'The Impact of the CoVE Programme: Attitude and Engagement of Employers and Key Stakeholders', LSC Nov 2004.
http://www.lsc.gov.uk/National/Documents/SubjectListing/ImprovingQuality/QualityPerformanceand Achievement/BeaconsCoVESandPathfinders/CoVE_Impact.htm

relationships with colleges. An evaluation of employer attitudes to, and engagement with, CoVEs found that employers are unlikely to afford the time to contribute to steering and developmental CoVE meetings unless clear benefits arise for them.

Particular barriers relating to work-based learning

In the context of work-based learning, *Getting Employers Involved* reports that additional barriers for employers can include:

- lacking the necessary time to get involved in planning and reviewing on-the-job learning

- uncertainty about who takes responsibility for supporting learners

- making a false distinction between on-the job and off-the-job learning, viewing the former as their role and the latter as that of the training provider

- being put off by the technical language of learning, assessment and qualifications

- being limited by the time and resources available for learning

- viewing time spent on education and qualifications as not commercially rewarding

- believing that the demands of learners conflict with those of other workers.

Barriers to employer engagement – for colleges

The barriers to engagement reportedly experienced by employers are challenges for the LSC and learning providers to address. In addition, providers may experience other structural, perceptual and commercial barriers of their own which may need to be overcome.

Engaging employers is not necessarily easy for colleges. It takes time to build an effective working partnership and to see the rewards of investment required to develop relationships. Improvements to learner outcomes, particularly achievement rates, may take time to emerge.

Engagement activities can become marginalised within learning providers, resulting in only a narrow range of staff becoming directly involved, for example, in specific business development units. A key concern of policy developers and advisers is the need to 'mainstream' employer engagement activities within colleges so that departments develop their own contacts and become used to contacting and discussing with employers scope for involving them in the work of the provider on a regular basis.

Research on meeting the needs of the electrotechnical industry found that some colleges had been constrained in their ability to meet employer needs for training by the skill ranges of teaching staff and inflexible departmental structures. For instance, in some cases, colleges had identified a need to develop provision which combined aspects of business studies programmes with training in electrical engineering, but it had not been easy to bring together the expertise of the staff required. This research concluded that providers needed

to respond to these identified issues with staff development and updating and improved institutional coordination to enable cross-college working.[44]

'Mainstreaming' employer engagement

To develop a more mainstream approach to employer engagement, providers need to encourage staff throughout their organisation to understand the potential benefit of involving business and industry and to take individual responsibility for developing and sustaining relationships with employers. *Reviewing the Impact of Employer Engagement Targets* cited a DfES research report on college responsiveness which noted that:

> *Almost all the principals… believed that their college should become more responsive to employers' needs and over half saw the need to become much more responsive. To make a full contribution to improving the skills of the nation's workforce and the development of the local and regional economies, it is important that the focus on employer engagement permeates the mainstream activities of the college or provider.[45]*

This is supported by case studies conducted as part of research for *Getting Employers Involved*, which found that the key to success in engaging employers in work-based learning lies in the training provider developing a positive attitude throughout the organisation towards the goal of involving employers. Such an approach means:

- adopting a corporate approach, by making it the job of every trainer (not just the placement officer) to help build relationships with employers
- seeking openings to develop new learning opportunities
- marketing the benefits that employers can gain from taking on learners.

Work on developing a college for business found that it could be difficult to keep the focus on broader interpretations of employer engagement because of other pressures. Staff who had spent their recent career being pressed to deliver full-time courses for 16–19 year olds more efficiently and effectively felt that the shift in focus suggested by the 'college for business' concept might distract from this, and even damage the progress that they had made. Without a culture shift and change of mindset, and attendant support from senior managers, it might be difficult for staff to regard employer engagement as being of at least equal priority.[46]

Creating explicit targets for employer engagement as part of the LSC planning process may help improve the status of the activity from marginal activity to an important part of the development plan.

Mission

Successful Engagement: Guidance for Providers on Effective Employer Engagement observed that wholehearted employer engagement needs to be mission-led:

[44] Matching Skill Needs to Training Provision in the Electrotechnical Industry: Project Final Report, Weiss C, LSDA (2002)
[45] Reviewing the Impact of Employer Engagement Targets, Hughes M, LSDA (2004)
[46] A Basis for Skills: Developing the 'College for Business' in Sussex (Part of an LSDA collection) Hughes M, Stanton G, LSDA (2003)

To make a full contribution to improving the skills of the nation's workforce and the development of the local and regional economies, it is important that the focus on employer engagement permeates the mainstream activities of the college or provider. By definition this has implications for the mission, leadership and systems of the college or provider.[47]

The consequence of this is that some colleges and providers might need to consider radical changes to their mission and purpose. The extent of these changes will vary, but the LSDA recommends that providers should consider:

- the development of a mission that recognises employers as customers analogous to the approach taken with individual students
- the creation of appropriate databases, allowing a single checkpoint on contact history, and the nature of the company
- the enhancement of management information systems (MIS) to provide timely and ongoing data on the extent and type of employer engagement
- an employer-related strand to staff development programmes
- a policy on the costing and pricing of provision for companies (including provision of support)
- a system of regularly updated surveys of employer need and satisfaction (analogous to existing learner and staff surveys)
- a 'reception system such as a dedicated helpline and contact point.

Some of these changes could be made by incorporating distinctive needs that relate to employer engagement within existing functions, such as feedback on progress, initial advice and guidance.

Providers should seek to examine and adjust their missions to become more attuned to involving employers in their work; however, engagement will be a meaningful activity for all providers only if its interpretation is sufficiently broad to encompass different provider missions. Employer engagement will not, and should not, mean the same thing to all providers.

Communicating with employers

In some of the work reviewed here, employers and providers alike express concerns about the ability of their potential partner organisations to identify and take action to address skills needs.[48] The literature concludes that:

- skills needs should be more clearly defined and skills analyses should be forward-looking and be subject to regular review and updating'[49]

---

[47] Successful Engagement: Guidance for Colleges for Providers on Effective Employment in Post-16 Learning, Hughes M, LSDA (2003)
[48] Developing Responsiveness in Vocational Education and Training, Hughes M, McPherson S, LSDA (2001)
[49] The Skills Agenda: Issues for Post-16 Providers, Hughes M, Mager C, LSDA (2000)

- forward planning of skills needs can only go some way to preparing for the unexpected; a 'nimble and responsive' system is required which can customise provision to address emerging needs[50]
- a responsive Vocational Education and Training (VET) system should be underpinned by long-term strategic planning and informed by reliable and insightful information about skills needs. However, even the most responsive system cannot take account of unexpected changes in skills needs. A responsive system would require:

  - regular and frequent information from employers about their skills gaps
  - a workforce already skilled and competent able to learn new things quickly
  - quality assurance and funding systems which enable training responses to be assembled quickly
  - changes in employers' attitudes to paying for training.[51]

Configuring provision for employer engagement

Successful Engagement begins to examine the implications of demand by employers for skills for the configuration of vocational provision.

> *Employer demand for skills is likely to be stimulated by provision that supports business success and organisational performance… This raises a number of issues for the development of the infrastructure of both the FE sector and the provider network.[52]*

Searching for Excellence suggested that there is not an extensive network of providers with excellent vocational education and training, especially at higher levels. While a single model for delivering specialised vocational provision is unlikely to be appropriate, as different types of specialisms are likely to have different requirements, increased specialisation, linked firmly to a curriculum that supports the economy, may redress this balance.

Consideration could be given to a network approach in which partner colleges are linked via specialisms which lead on teaching. Specialist networks that raise their awareness of what's new in skills technology and working practices might improve employers' understanding and support for centres of excellence. This would mean, among other things:

- providing a focal point for employers or other key players
- close liaison with Sector Skills Councils in their work on determining sector workforce development needs and core competencies.

The literature also warns that the scale of the investment needed to secure a robust and sufficient set of specialist colleges should not be underestimated.

Work on meeting the skills needs of the electrotechnical industry observed that some vocational curriculum areas may need to have a critical mass of full-time students in order to justify continued efficient investment in skilled and experienced staff, plant and equipment. Local volumes of demand for off-the-job, part-time training through Apprenticeships in electrotechnical subjects may be insufficient on their own to merit the level and quality of

---

[50] Developing Responsiveness in Vocational Education and Training, Hughes M, McPherson S, LSDA (2001)
[51] The Skills Agenda: Issues for Post-16 Providers, Hughes M, Mager C, LSDA (2000)
[52] Successful Engagement: Guidance for Colleges for Providers on Effective Employment in Post-16 Learning, Hughes M, LSDA (2003)

resources needed. While full-time provision might be appropriate at Level 2 for individuals who require ongoing study support, the industry need for Level 3 skills are normally most appropriately delivered through the work-based route. The LSDA suggests that this problem might be solved through clustering arrangements and CoVEs.[53] This suggestion may be taken further through the establishment of the Skills Academies.

Developing broad links between employers and providers

Another theme that recurs within the literature is that links between employers and providers need to be broad and well developed within both sets of organisations:

> *A wide range of people within companies also need to be engaged in learning or its promotion. Different priorities and modes of operating might exist within the same firm between, for instance, the training manager and the production manager. The most effective access point in some companies may be the human resources director, training manager, site supervisor or union learning representative.[54]*

Other work *also finds that:*

> *Our case studies show that the key to success lies in the training provider developing a positive attitude throughout the organisation towards the goal of involving employers. Though the approach is corporate, the working relationship between individuals is absolutely critical.[55]*

As discussed in Section E, the practical problems of not establishing broad links were described in *The College for Business:*

> *Misunderstanding of the 'colleges for business' concept led to the tendency, particularly among staff and managers who were not centrally involved in the project, to equate 'colleges for business' solely with the provision of full-cost, short courses for employers. Linked to this, it was sometimes thought that business development units could be given the sole responsibility for the necessary developments.*

Such approaches limit the transformation of colleges' missions to reflect the vocational purpose of further education.

Creating strategic alliances with employers

There are important observations and recommendations within the literature about the qualitative nature of the relationships between employers and providers.

> *While the partnership principles of competence, openness, reliability and equity were present in some of the partnerships surveyed, and some had the characteristics of*

---

[53] Matching Skill Needs to Training Provision in the Electrotechnical Industry: Project Final Report, Weiss C, LSDA (2002)
[54] Successful Engagement: Guidance for Colleges for Providers on Effective Employment in Post-16 Learning, Hughes M, LSDA (2003)
[55] Getting Employers Involved: Improving Work-Based Learning Through Employer Links, Taylor S, LSDA (2001)

> *'true' partnerships, many of the relationships were still fixed in the provider-supplier model. There were few examples of equal partners sharing a common destiny.*[56]

Several publications note that sustained links with relevant employers need to extend beyond a purchaser–supplier relationship to mutually beneficial partnerships and strategic alliances. Moreover, they find that 'moving beyond the existing contractual relationship to a deeper partnership based on mutual development would take very little effort'.[57] This can add more value than more traditional arrangements; for example, *Searching for Excellence* found that it was often colleges and companies working in partnerships that initiated new, specialist provision.

Choosing an appropriate set of activities for employer engagement

As the typology in section E, above, has shown, employers can become involved with work-based learning in a variety of ways. However, the LSDA suggests that individual providers should take care to select activities for employer engagement that are appropriate for the provider and the employers concerned.[58]

In some cases, employers may have the capacity for continuing involvement at a high level – regularly providing openings for learners, for example, or participating in local and national strategic planning and consultation processes relating to skill development. Some may be able to do this from time-to-time or not at all. These employers may be interested in taking part in other ways, such as visiting the learning provider to give a talk or review a learning programme, or perhaps responding to occasional requests for expert advice on local labour market and skills questions.

Providers may be likely to work with a 'core' group of employers who are regularly involved in a very direct way, while at the same time building links with a much wider group of employers. Some employers might wish to increase their level of involvement over time.

Creating reasonable expectations of employer engagement

Policy-developers should be careful not to be over-ambitious about what employer engagement might deliver as a policy. Employer engagement is one of a range of actions and approaches through which skills gaps and shortages and issues of business productivity can be addressed, but it cannot be seen as the sole means of resolving such complex issues. Moreover, while employer engagement can help improve the relevance, match and volume of workforce development provision, broader labour market and economic concerns, not to mention the individual career needs of individuals, it will sometimes require provision delivered away from the workplace and funded accordingly.

Policy-developers may also need to be careful not to be too prescriptive about how employer engagement should be implemented within different providers. While a focus on employability may be usefully pursued in sixth form and largely 16–19 colleges, employer engagement may be a less obvious objective for adult and community learning providers.

---

[56] Partnerships for Skills: Investing in Training for the 21st Century, Hughes M, Cottam S, LSDA (2000)
[57] Partnerships for Skills: Investing in Training for the 21st Century, Hughes M, Cottam S, LSDA (2000)
[58] Getting Employers Involved: Improving Work-Based Learning Through Employer Links, Taylor S, LSDA (2001)

Learning provision in the post-16 sector has been designed to fulfil a number of purposes, not all of them directly work-related. Adult and community learning and non-vocational provision offer the chance to achieve a variety of community-related and personal learning goals. Therefore, it may not be appropriate to link some learning provision to meeting the needs of employers.[59]

In work on the skills needs of the electrotechnical sector, colleges are reminded that, as partners in the delivery of training, they have responsibilities and roles beyond the electrotechnical sector, whereas other partners and stakeholders – for instance, work-based learning providers – have a dedicated link with that sector and, therefore, have a shared destiny with it. This may affect the way in which more broadly-based providers, such as colleges, might work with certain businesses or employer organisations.

Conversely, the LSDA argues that not expecting enough of some providers, for example by excluding WBL providers from setting explicit employer engagement targets, may have the effect of limiting their ambition in terms of extending beyond government-supported provision.

To help manage and shape expectations within their own organisations and among employers, it may be helpful for learning providers to develop a set of underpinning principles for their work. The following are drawn from *Reviewing the Impact of Employer Engagement Targets:*

- The primary reason for engaging employers in post-16 learning is to improve the UK's skills base, both for the current and the future workforce, through the development of learning programmes that are relevant to learners and meet employers' needs.

- Employer engagement may take many forms and be required at various points in a learning experience. It is a useful focus for all providers if it follows the broad typology suggested on pp15-16.

- The planning process should take account of the reason for employer engagement, and the form it should take, in relation to skills priorities.

- Outcomes from the activity may be short-term or long-term.

- Because it is based on meeting specific needs, measurement of progress should be aligned to the action proposed and its effectiveness.

- Benefits to the current and future workforce and employees should be explicit and measurable.

---

[59]. Working Towards Skills, Hughes M, Keddie V, Webb P, Corney M (2002).

G   Examples of effective practice in engaging employers: what works in engaging employers

This section provides a synthesis of the key themes, issues and recommendations for effective practice which arise in publications. Examples of effective practice may also be found throughout section F on 'Creating the Conditions for Employer Engagement' and in section H, specifically in relation to engaging small businesses.

It is not the aim of this section to create a template of effective practice against which learning providers and the LSC can judge themselves or develop practice. As discussed in section C of this report on the policy context for employer engagement, while the LSDA has begun to explore how employer engagement might be developed more broadly, it has yet to identify effective practice in relation to aspects of this wider interpretation of the concept. Therefore, this section mainly provides examples of what the LSDA believes to be effective in relation to aspects of customer–supplier relationships between employers and learning providers. At the end of this section, there are some overarching, general principles for effective practice drawn from very recent work on developing the responsiveness of providers to the needs of particular industrial sectors.

The particular circumstances, focus and interests of different providers will have a bearing upon the way in which learning providers seek to engage employers. The LSC and learning providers may wish to bear this in mind as they develop activity in this area.

Effective approaches to employer engagement

Developing Responsiveness in Vocational Education and Training notes that, if providers are to gain the confidence and trust of business clients, build long-term relationships with them and, in so doing, meet employers' needs, they should:

- take an interest, talk and listen to employers
- show commitment to clients, be prepared to work alongside them to achieve shared goals
- adapt to the culture of the client and share responsibility for the outcomes
- prepare joint action plans with employers.[60]

There is a range of ways in which employers might become involved with providers. For example, some employers' contributions may be 'in kind', helping to update college staff and provision, as well as providing extra resources. This may be in return for technical support, field-testing or expert advice for company development. Companies might be interested in providing colleges with equipment and supplies where this contributes to training their current or future employees. An offer of action research or product-testing services might be more welcome to some companies than courses in the first instance, although it might well lead to a need for training later on.

Joint work of mutual benefit to companies and colleges is likely to be found in most industries. Colleges should make sure that they are close to the relevant industries in

---

[60] Developing Responsiveness in Vocational Education and Training, Hughes M, McPherson S, LSDA (2001)

relation to their provision, so that companies have an interest in supporting provision, and trust college staff to be able to offer good quality advice. [61]

Developing successful partnerships with employers

Collaborative working by learning providers may increase employer participation by improving the range and availability of the provision on offer. Collaboration between colleges and different types of provider can increase the value of provision and provide a one-stop shop for employers.[62]

Research into factors that support partnership enablers found that the following are essential to good partnership:

- **A clear strategy purpose and objectives**: a clear strategy must state how the partnership will be developed and maintained. Better outcomes will be more likely if the education provider is aware of the organisational strategy of the company and the relationship between the business need and skills and knowledge requirements.

- **Infrastructure**: there needs to be similar commitment in terms of time and resource allocation. Both parties concerned need to share the view that the proportion of each other's commitment is sufficient.

- **People and organisation**: staff with appropriate skills need to be deployed in clearly defined roles.

- **Communication**: there needs to be an awareness of each other's business cultures, as well as clear channels for communication.

- **Team working**: there should be a co-operative and consultative approach to team working, problem solving and information sharing.[63]

This research, entitled *Partnerships for Skills,* also identified ten qualities which are important in enabling partnerships to flourish:

- honesty   ethical behaviour
- trust   feedback
- openness   no-blame
- sharing   listening
- respect   flexibility

Pushing Back the Boundaries identified effective practice for work-based learning partnerships; however, the recommendations may be generalisable to partnerships between other types of providers and employers. It provided advice on how best to establish partnerships with other learning providers, and suggested*:*

- working to the individual strengths of the stakeholders and using their expertise accordingly

---

[61] Successful Engagement: Guidance for Colleges for Providers on Effective Employment in Post-16 Learning, Hughes M, LSDA (2003)
[62] Successful Engagement: Guidance for Colleges for Providers on Effective Employment in Post-16 Learning, Hughes M, LSDA (2003)
[63] Partnerships for Skills: Investing in Training for the 21st Century, Hughes M, Cottam S, LSDA (2000)

- establishing a database of employers
- agreeing the aims and objectives for the partnership working
- agreeing roles and responsibilities for all parties.

It also advised on how to manage the relationship effectively between the employer and the provider, suggesting, for example:

- establishing open communication with your partners and having dedicated staff to manage the relationship/interface with stakeholders
- maintaining regular links between senior managers and practitioners
- setting aside time to establish and maintain close links – this is liable to require more effort than providers might have thought
- supporting the continuity of partners and key stakeholders; continuity of involvement, once a partnership has been formed, is essential in establishing and maintaining the trust and commitment.[64]

Harnessing the benefits of employer engagement in skills development

Involving employers in developing vocational provision may help address complaints about out-of-date programmes and increase levels of satisfaction with the provision. Sector-based developments may secure more active employer engagement and encourage collaboration between employers. Other agencies may also have an interest in securing employer engagement and may welcome participation by the college or provider in their initiatives.

Colleges can develop credibility and contacts with industries and sectors by finding out about what they do and about their needs in advance of any specific skills gaps or shortages occurring. Providers might also work in partnership with other players, such as trades unions or Sector Skills Councils, who have a common interest in learning.[65]

Improving curriculum design and delivery

Two publications, *From Competence to Excellence* and *A Cut Above,* are concerned with improving curriculum design and teaching, learning and assessment strategies, with a view to improving the quality of vocational training provision. The recommendations for good practice made by these publications show how to harness employer involvement to achieve curricular excellence. The strategies recommended have contributed to improved performance by students in international skills competitions, so demonstrating their effectiveness.

Key observations and recommendations from these publications include:

- encouraging teaching staff to keep abreast of the latest techniques and developments in their vocational area and to maintain the highest level of

---

[64] Pushing Back the Boundaries: Working with Employers and Other Partners, Smith V, Support for Success Quality Improvement Programme, LSDA/LSC (2004)
[65] Successful Engagement: Guidance for Colleges for Providers on Effective Employment in Post-16 Learning, Hughes M, LSDA (2003)

professional competence, through short secondments to industry and by maintaining close links with professional bodies

- involving employers in the assessment of students and in skills competitions to help students understand the standards of performance that industry expects

- recruiting additional full-time, part-time and visiting staff who have just left employment in the industry or who are still practising professionally

- greater involvement of employers in the design and implementation of courses and in the assessment of the students

- the difficulty in sustaining excellence without the support of industry, particularly in relation to maintenance and improvement of equipment.

Developing employability

Employability and work readiness are important aspects of the curriculum for 16–19 year olds and for returners to the workforce. Providers play a major role in developing skills in these areas. Colleges and providers should improve their knowledge of what employers need, and of how students can best prepare themselves for employment by seeking advice from employers and developing curricula accordingly. The LSDA recommends that colleges and providers should regularly consult with their local employer community on the relevance of their provision for 16–19 year olds.[66]

The LSDA has made a number of recommendations for improving practice in relation to Apprenticeship programmes. For example, where NVQs and Technical Certificates do not meet sector-specific needs, they should be re-evaluated, working, where possible, with Sector Skills Councils. Providers should also be more active in securing employers' full understanding of and commitment to the frameworks. Better coordination of the on-the-job and off-the-job components of the Apprenticeship programmes would also improve the quality of the experience. Consideration should be given to partnership approaches to the design and delivery of the Apprenticeship between providers and employers.[67]

Findings ways to improve participation

Employers may be deterred from securing trainer or assessor qualifications for staff by the administrative burden associated with doing so; this may act as a barrier to their participation in training. The LSDA recommends that providers should offer a dedicated service for employers seeking to accredit their in-company learning schemes.

Participation in training might also be improved by:

- imaginative use of existing expertise and resources to develop customised provision
- taking provision to, or near, the workplace
- installing learning workshops in the workplace
- ensuring that the training offered to employers relates to the company's success, and is therefore a good investment
- keeping employers up to date with developments that require specific support for their trainees; relationship marketing is a key ingredient in gaining employer involvement in post-16 learning; busy employers value succinct information about new developments in education and training.[68]

Developing overarching principles for effective employer engagement

Recent research into providers' responsiveness to specific industrial sectors is testing the appropriateness of key principles which appear to be important in promoting responsiveness

---

[66] Successful Engagement: Guidance for Colleges for Providers on Effective Employment in Post-16 Learning, Hughes M, LSDA (2003)
[67] Making work based learning work: Improving employer engagement in the delivery of Apprenticeships. Hughes M, Monteiro H, LSDA (2005)
[68] Successful Engagement: Guidance for Colleges for Providers on Effective Employment in Post-16 Learning, Hughes M, LSDA (2003)

and successful employer engagement. The issues and implications of each principle vary according to the particular sector being investigated; however, the general principles support and reinforce the issues and suggestions for effective practice discussed throughout this document.

In summary, these principles are as follows:

The importance of an identified point of contact with knowledge of their business
For learning providers, this might mean having good systems in place to ensure that business queries are dealt with effectively, training all staff on customer care with business clients, maintaining and updating information systems, being aware of other sources of support and referring clients on where appropriate.

Providing training that is relevant to business needs
Key dimensions of effective practice are: understanding current and possible future business sector needs and trends and translating these trends into curriculum and staff development; engaging in ongoing dialogue with employers, and using employers to train and develop the skills and experience of college/provider teaching staff.

Delivering cost-effective provision
This might mean: being creative with modes of delivery, including shared delivery with employers and other providers, carrying out on-course and post-course evaluation to establish outcomes in terms of cost effectiveness and business impact, sharing the risk with employers – for example, not charging for provision if business performance does not improve as a result of training.

Rapid response to requests and queries
Providers might wish to: ensure clear communication channels within the learning provider – by eliminating blockages, developing positive attitudes to work with employers among all staff, developing service-level agreements with employers which include response times, follow-up and relationship management.

Regular updates and feedback on the training and development of their staff
This might mean: actively sharing information on learners' progress and performance with employers, to ensure that they are aware of the knowledge and skill levels within their workforce, providing clearly understood channels for discussion and engagement and ensuring that information is accurate, timely and useful to employers.

Minimum disruption to work patterns
Providers might wish to consider: offering a variety of ways of providing training; offering mixed modes of attendance, maximising work-related learning opportunities in company learning centres and through company-based assignments.

Flexibility of delivery, assessment and qualifications
For learning providers, this might mean: developing flexible assessment opportunities in the workplace, maximising work-related assessment opportunities, involving employers in the development of training and assessment programmes and matching assessment loads against work commitments.

High quality of both interaction and delivery
Learning providers might consider: ensuring that employer engagement is a key focus of the organisation's senior management team; they might also measure the success of programmes after a period of consolidation – measures might include productivity, staff retention, reduced wastage and efficiency.

Complexity and confusion should be removed from this process
Providers might aim to put together bespoke packages of funding, curriculum, delivery and assessment to meet specific business needs.

H   Creating the conditions to engage small businesses

A number of LSDA publications are concerned with improving links between colleges and small businesses and micro-businesses.

The literature finds that support for small businesses has not been developed systematically. While there are many examples of interesting practice and initiatives to support workforce development, few initiatives have had a significant impact on the development of the workforce in small and medium-sized enterprises. One potentially significant development announced in the government's Skills Strategy is the introduction and extension of Employer Training Pilots, which offer financial and other support for small and medium-sized employers willing to release lower-skilled employees for training.

This section summarises from the literature some of the barriers to engagement for small businesses, then goes on to discuss how learning providers might create conditions in which small business engagement can flourish, drawing upon specific examples of effective practice, where these are mentioned in the literature.

Particular barriers faced by SMEs and micro-businesses

While SMEs may experience the barriers to engagement described earlier in section F, they may also be particularly prone to experiencing other problems as a consequence of their size and structure.

As SMEs have fewer employees, they may also have fewer opportunities to recruit college-educated local people and, therefore, may be unaware of the college's work or most recent reputation. Many smaller employers also may be unknown to the local college.

Development of relationships between employers and learning providers is a lengthy process, which can be retarded by a lack of awareness by providers that smaller and larger organisations may have to be approached in different ways. While larger organisations will usually have employees who are specialists in training and regulatory issues, smaller ones may lack this specialist knowledge and may depend upon gaining adequate background information during preliminary discussions with the college.

Micro-businesses – that is, SMEs with fewer than 10 employees – may generate too low a level of turnover to have a formal training budget or to support training at levels which are commercially feasible for learning providers. Moreover, the nature of the way in which very small businesses must run – dealing with day-to-day operations – means that any training issues may relate to very immediate needs, rather than longer-term business development. Small firms may not want or need to adopt more formal approaches to learning and workforce development. Furthermore, they may not perceive that they have any business-related or human resource-related, training needs. [69]

This may be compounded by the existence of few specialist staff within micro-businesses, which may make evaluating training services more difficult for that employer and for the prospective provider.

---

[69] Working Towards Skills, Hughes M, Keddie V, Webb P, Corney M (2002)

Creating the conditions to engage small businesses

The importance of context

In small companies, the importance of context cannot be overestimated. *Learning without Lessons* found that a range of methods of on-the-job learning were used by small companies and that a clear distinction between formal and informal learning is unhelpful and difficult to define. While informal learning is an important source of development for people in small companies, many participants used a combination of formal and informal methods to learn how to do their job more effectively and typically built on initial formal learning. Understanding the context in which small businesses operate emerged as a crucial factor in supporting better learning within this work; better support for informal learning may be as important as exhortations to take up more formal learning opportunities.

Another important message from *Learning Without Lessons* is that, because many SMEs now occupy increasingly specialised markets, there is a narrowing band of generic training needs. Many companies had difficulties finding specialist training specifically related to the needs of their staff. This means that a broadening band of specific needs are not being catered for.

Ways of expanding the availability of specialist expertise, that is both affordable and effective, may need to be investigated. For example, more flexible provision – such as short courses and coaching in areas of IT software, accounting and basic business skills – might be made available at different levels and be adapted in order to apply to specific business contexts.

Emphasis on business support, rather than on learning

Securing greater employer involvement in learning within small firms requires an emphasis on business support, rather than learning in itself. Employers and their employees may need to see the benefit to themselves or to the company of formal training.[70]

Development of capacity for informal learning, as well as more formal learning

Providers of support for small businesses should perhaps concentrate on the development of capacity to learn informally in the workplace, and the relationship between this informal learning and more formal learning.[71] This may involve helping the wide range of managers and employees with some measure of responsibility for learning in their companies to become better at supporting learning.

The value of collaborative solutions

Greater interaction between the various providers may deliver more effective support for business development. Collaboration may help ensure that information on the company's needs is shared and that those with the appropriate capacity and expertise deliver specific types of support and business solutions.

---

[70] Working Towards Skills, Hughes M, Keddie V, Webb P, Corney M (2002)
[71] Working Towards Skills, Hughes M, Keddie V, Webb P, Corney M (2002)

Being realistic about the efforts needed to engage employers in workforce development

Providers may need to adapt traditional cultures to provide successful new ways for people in SMEs to access learning. These changes may involve major investments in staff retraining, in implementation of ICT mechanisms and in developing appropriate training and development courses. Some colleges consider that they will need to maintain physical outreach centres and mobile training facilities until typical students become more confident of ICT and perhaps less shy of colleges.

Examples of effective practice

Developing relationships with employers

Developing the business case
Partnerships involving micro-businesses and SMEs may need a different approach. SME supply chain relationships tend to focus on addressing immediate skills shortages to secure contracts in the short term, with little emphasis placed on a longer-term management development.

Providers may need to develop the business case for learning, and especially for more broadly-based learning, by providing examples of the immediate and longer-term benefits to employers. Useful techniques include:

- discussions with group training associations, SSCs, Chambers of Commerce and other employer-led bodies
- providers, colleges, the LSC and SBS working with SMEs to gauge the benefits of learning in terms both of its importance to some specific operational requirements, and its strategic impact
- improving the information flow to SMEs about skills shortages and local labour market needs
- emphasis on the role of learning and training in improving productivity and staff retention.[72]

Developing new contacts
Providers should consider whether they could better channel queries received from smaller, local firms and whether they might better monitor contacts with micro-businesses. They should also aim to address any perceptions of 'poor reputation' – these may have their origins in college-specific policies and practices, or may be more generalised and more difficult for the college to address alone, such as frustration about the administration and cost of work-based assessment required for NVQs.[73]

Developing empathetic staff
It is important to have appropriate staff to deal with SMEs, both for pre-sales work and for the delivery of properly-supported and effective learning. There may still be some staff in colleges who are uneasy with the concept of profit-making and the business ethic.

Staff dealing with owner-managers of small firms need to understand that the owner-managers take personal responsibility for all of the risks associated with their businesses, including the need to sell sufficient products and services to sustain those enterprises.

---

[72] Working Towards Skills, Hughes M, Keddie V, Webb P, Corney M (2002)
[73] How to Work with Microbusinesses, LSDA (2001)

Voluntary and community sector SMEs are not always seen as being 'profit-making', but need to be run in a business-like way; if their expenditure exceeds their income and drains their reserves, then they cease to exist as a going concern.

Staff delivering to the SME sector need to believe that the sector's provision of much-needed jobs justifies patient nurturing, so that local employees, colleges and communities all benefit in the long term. As larger organisations continue to shed jobs, smaller firms have an increasing role to play in local job provision, retention and development.[74]

Developing partnerships
Providers may wish to consider listing all of their existing partnerships with small and micro-businesses and analyse the list to see where there might be gaps (or duplication across the college). Policies should be reviewed to instigate more effective ways of keeping in contact with local employers.

The cost of partnership activities – in terms of financial outlay and staff time – should be documented, and resource issues should be raised with the appropriate bodies to ensure that they are aware of the college's contribution and the resources required to sustain partnerships.[75]

Priorities for training and engagement

How to identify training needs
In assessing priorities for workforce development, providers should take into account:

- variation by sector as reflected in the sector workforce development plans
- whether management skills, intermediate skills, or highly task-specific skills are required
- the influence of external factors, such as health and safety legislation, food hygiene regulations, the requirements of major customers, etc.[76]

Smaller firms without training specialists may well have insufficient resources or capability to match their analysed needs with locally available courses. They require courses that are well backed up by staff who know their subjects and who can help firms relate the course content to their work situation. Smaller firms typically need assistance to ensure that course objectives match potential trainees' needs as well as smaller firms' own organisational needs.[77]

Developing new products for small/micro-businesses

Providers should consider how to decide what new services to offer micro-businesses. If the new services are due to a stated need by local firms, providers should think about how to generate resources to develop and supply the provision. If the new services arise from the provider deciding to commercialise some specific knowledge in particular subject areas, it should think about how it promotes these active – rather than reactive – services. Providers

---

[74] How to Work with Microbusinesses, LSDA (2001)
[75] How to Work with Microbusinesses, LSDA (2001)
[76] Working Towards Skills, Hughes M, Keddie V, Webb P, Corney M (2002)
[77] How to Work with Microbusinesses, LSDA (2001)

should engage in market research and work with their local LSC to ensure that other providers in the area do not already specialise in this particular learning provision.

Developing provision

Optimising local provision
Providers should consider how to co-ordinate approaches to local firms. Staff should be briefed on how to maximise the value of specialised training to improve productivity and competitiveness. An approach which is open minded – asking, for example, what assistance would help to improve the employer's chances of maintaining or increasing staffing levels – should be employed, rather than trying to sell a ready-made product. Providers should check that services to a local, smaller workplace have really benefited it. If a demand arises that the college does not supply, or is not funded to supply, the college should have a procedure to find a local supply where possible. If no local supply is available, there should be a procedure to inform regional and national agencies of the unsatisfied demand.

Providers should keep up to date with statutory requirements on issues that are common to many local workplaces (eg health and safety, employment law, data protection, human rights, disability-related issues) so as to provide effective training in these areas.[78]

Improving access for employers to college services
Providers should draw on their strengths and adapt traditional cultures to provide successful new ways for people in SMEs to access learning.

Improving flexibility of provision and delivery
Time and sometimes space are key constraints to securing engagement in learning by SMEs. Providers should consider:

- how to make use of technology to secure access and make better use of
- time available during or outside work
- more flexible provision, such as delivering at least part of the training outside conventional time slots
- how to secure collaboration between companies to meet needs more cost effectively.

Ensuring accessible teaching practices
Regular contacts and visits by their staff to employers' premises remain essential, even where most of the training and development can be delivered effectively by distance learning and through outreach centres, supervised by a tutor or trainer. It is also important to have tutor support available to assist students by telephone or e-mail on an *ad hoc* basis.

To support learners from SMEs successfully, efforts should be made to make them feel part of a group, even if the group meets only once during an induction session. Such an initial session also ensures that students understand the concept of independent learning, and find it suitable to them as well as being practical to their employers. It also enables providers and local firms to meet and get to know each other, and so form the basis of an effective and ongoing commercially-based partnership.[79]

---

[78] How to Work with Microbusinesses, LSDA (2001)
[79] How to Work with Microbusinesses, LSDA (2001)

Approaches to engagement

Developing the capacity to train
There is a role for providers in developing the capacity of employees taking on a training or learning support role to enhance the quality of learning. People with a training role in SMEs need to learn the appropriate skills to cascade training, coach, mentor, operate quality circles and provide demonstrations.[80]

Mentoring

Increasingly, as specialisation of process or product becomes more common in small firms, learning activities may need to be packaged from a variety of sources, or designed to match the particular context of the company. Solving unique problems requires higher-level (possibly technical) skills and good communications skills.

Mentorship and consultancy appear to be highly valued by people managing small firms, but an effective link to the particular context of the individual business appears to be paramount. Two responses to this seem to be required:

- developing a greater number of 'specialist' advisers, to match the vast range of circumstances and contexts that may require support

- developing the capacity of advisers to relate general principles to specific context and the ability of the receiver of support to put generic principles into context.[81]

Business development services

Developing learning solutions to improve business
Colleges should develop a range of services, apart from training, connected with business development – for example, advice on employment practice, recruitment, etc.[82]

What to offer and how to measure its effectiveness
The college should consider what procedures it follows to assure the quality of tailored services to an acceptable standard, with well-defined learning objectives.

Colleges should consider how improvement in the employer's business will be measured. For example, improvements might be measured in terms of reducing risks associated with trading perhaps, or in terms of enabling the business to expand its activities in some way.

Configuring relationships with small businesses

Clustering
A cluster of SMEs can have the common bond of having purchased from the same supplier or training establishment. Another such bond is where the clustered SMEs serve the same customer, which is a major organisation.

Clustering can enable purchases to be made jointly, perhaps at a discount. This can benefit those within the cluster, compared with the cost of individually-made purchases, and

---

[80] Working Towards Skills (Hughes, Keddie *et al.*)
[81] Learning without lessons: Supporting Learning in Small Business, Doyle L, Hughes M, LSDA (2004)
[82] How to Work with Microbusinesses, LSDA (2001)

perhaps form a reduction in their pre-purchase evaluation work. Joint purchasing may also save the providing organisation's resources, as they can deal with their customers on a larger scale, with fewer individual orders.

Clustering can also allow those within it to have market and economic information collated and shared jointly, to the mutual benefit of all concerned. This may also enable the cluster to share such information with those with regional influence and at national and government levels, perhaps in conjunction with the Small Business Service. However, there may be few quickly gained benefits for those within the cluster; it can take a lengthy period to forge relationships which become sufficiently deep to have the trust to share information and ideas, and to gain from collaboration. Relationships have to be built, not only between the firms within the cluster, but also jointly with organisations external to it.

Management and account management
Providers should consider whether they have clear procedures to ensure referral of micro-businesses to other providers – if, for example, their needs could not be satisfied – and should consider producing a directory of other providers.

Providers should consider whether there are procedures to estimate the cost of tailoring a service to a firm's particular requirements and to ensure that no tailoring is agreed to if the cost to the college is too high. It should also make sure that it has the controls to avoid promising delivery without due attention to the cost of that promise and the quality of the result.

Providers may also need to identify who takes the 'account manager' role. Information gleaned during informal meetings or discussions between an account manager and an individual micro-business or group of them, should be fed back to the appropriate person within the college. The information gleaned can lead to a need, or 'demand', that the college can consider satisfying.[83]

---

[83] How to Work with Microbusinesses, LSDA (2001)

I Conclusions and recommendations

Employer engagement has moved a long way from an issue of relatively marginal interest to one which has the potential to make a major contribution to achieving current skills policy. Narrow conceptions of what employer engagement means have broadened and developed. There is now growing acknowledgement by providers and businesses that collaborative working can bring mutual benefit to learners and to firms' customers; engaging employers is presented increasingly within policy as being a mutually beneficial enterprise.

If collaboration with employers is to realise its full potential, providers need to think carefully about how they can create, and make use of, the widest range of employer-related activities within their organisations. The literature upon which this review is based has stressed the importance of encouraging teaching staff to see that working with employers can really help them and their students, giving staff the opportunities and confidence to develop links with local firms and of resourcing such developments adequately. For every example of successful engagement, there will be other contacts which are unsuccessful. In some cases, it may take time for work to pay off in curricular or commercial terms; in other cases, particularly with smaller employers, significant effort and resources may need to be expended to achieve success. At the level of the provider, this points to the importance of thoughtful leadership and management, careful resourcing and clear organisational communication and planning in support of employer engagement.

Employer engagement needs careful consideration at policy level too, as policy can determine the conditions in which initiatives can succeed. Policy on employer engagement is still at a relatively early stage of development. The current review of further education by Sir Andrew Foster gives the government and its stakeholders an important chance to develop a clearer understanding of employer engagement in the context of a first principles examination of the purpose of further education. The LSDA hopes that the review will explore how further education colleges might make employer engagement a central part of their work, while recognising that the focus, nature and scale of these activities will differ for colleges according to their size, geographical location and learner and employer 'catchment' area.

Many of the recommendations that the LSDA and others have made about employer engagement over the past five years or so have been taken up in policy. For example, unitisation and credit frameworks – crucial to helping providers create customised packages of training for employers – are now planned for introduction. *Success for All* also contains a proposal that there should be more industrial secondments for teachers and trainers.

While the policy framework to support employer engagement is now beginning to fall into place, some important issues remain to be addressed.

Current policy initiatives on employer engagement focus primarily on making the 'supply-side' – learning providers – more responsive towards employers. Yet, as this review observed, early policy statements by government ascribed responsibility for improving workplace learning (a prime purpose of employer–learning provider collaboration) to employers, the self-employed, employees and trade unions. While there are important government initiatives under way to stimulate demand for learning among employers with little track record of engaging in learning, such as the Employer Training Pilots and the extension of these into the National Employer Training Programme, more may need to be done by government to persuade employers of the benefits of working with learning providers, perhaps by working

through sector skills bodies and employers' organisations. There may also be limits to the extent to which providers alone can directly encourage employers to work with them. Appeals for engagement may be more effective when mediated through employer and sector skills bodies and trade unions. This should in no way be seen as a substitute for the development of direct relationships between individual providers and employers, but rather as a useful addition of extra support.

Encouraging learning providers to 'mainstream' employer engagement within their organisations requires knowledge and confidence about how to do it. There may be an important role for the Centre for Excellence in Leadership in developing the skills and competences associated with mainstreaming employer engagement. The review of FE by Sir Andrew Foster may help in defining these skills.

Embedding employer engagement targets within the post-16 providers' three-year funding and development plans is a key step forward in raising the profile of employer engagement and in making it real; however, it is essential that definitions of 'what counts' as employer engagement under the targets are as wide as possible. To do otherwise could circumscribe the wide variety of activity already under way within the sector and act to curtail the natural development of relationships with employers. Moreover, funding arrangements to support employer engagement need to recognise that early stages of building relationships with employers can be potentially resource-intensive, with little prospect of immediate commercial return. Funding risky and experimental activity is not a comfortable idea within public sector funding arrangements, but for every success there will be some failure, and funding arrangements need to be developed that take this on board.

Finally, we need more research into employer engagement which will allow us to understand how some of the less widespread collaborative employer activities and forms of relationships might become established more widely. Much of the good practice literature with which this review has been concerned has examined how best to develop the customer–supplier relationship. As this review has shown, while this remains a key relationship for learning providers, there are other equally significant types of work. We now need to understand what it means to form strategic alliances with employers, and to support business development more broadly, and what needs to happen to support these important activities.

what we know about working with employers
a synthesis of LSDA work on employer engagement

This is a synthesis of the findings from LSDA research and development activity into employer engagement. It aims to enhance the understanding of policy developers and practitioners within the learning and skills sector (LSC) on developing policy and practice on employer engagement.

If this report is relevant to the work you do, you may also be interested in:

Tomorrow's Workforce booklets
A pack of nine booklets to support vocational learning in schools and colleges in England. There are leaflets on each of the eight GCSEs in vocational subjects, giving further information and examples of how employers can support the teaching and learning for each subject.

Approaches to the delivery of E2E
Practical suggestions on how partners might develop and sustain Entry 2 Employment partnerships and shape the partnership to allow for the needs of the learners and their local labour market to be met.

Making work-based learning work series
A series of research-based publications exploring issues around employer engagement and the effective delivery of Apprenticeships.

For details of these publications and other outputs from the LSDA, go to:
http://www.lsda.org.uk/pubs