

# Vocational qualifications – changing with the times?

## *Evaluating the responsiveness of vocational qualifications*



Qualifications and  
Curriculum Authority



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Qualifications and Curriculum Authority  
83 Piccadilly  
London W1J 8QA  
[www.qca.org.uk/](http://www.qca.org.uk/)

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# Introduction

As employer needs change and individual career patterns become more flexible, vocational qualifications (VQs) must adapt to meet different requirements. How responsive are UK VQs to the requirements of users and to innovation and development elsewhere? If current work to improve the VQ system makes it more responsive, what effects would we expect to see? What evidence will there be that VQs are increasingly meeting individual and employer needs? For example:

An employer seeks external accreditation for a security-related training course.

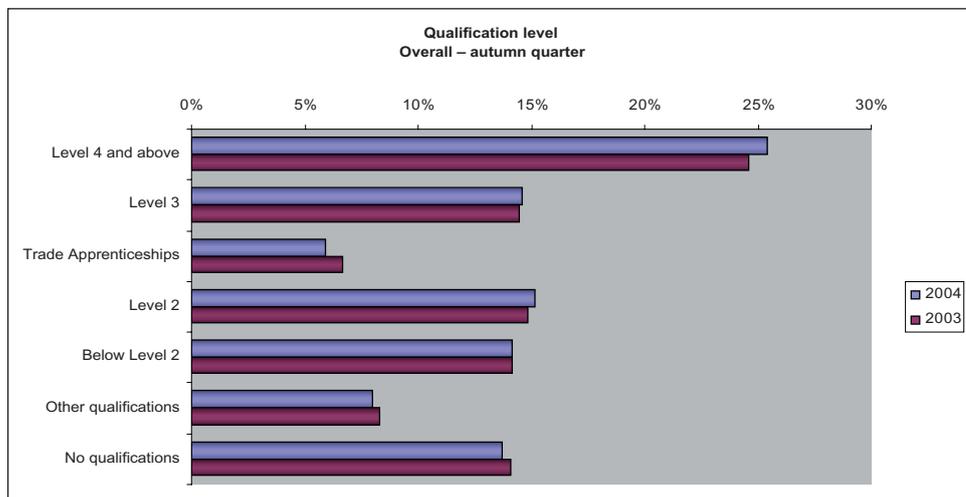
A 16-year-old chooses a vocationally related qualification in Business & IT to provide progression to a range of jobs and HE courses.

This booklet describes work to establish a baseline against which future improvements in VQ responsiveness can be measured.<sup>1</sup>

It also includes some evidence of emerging trends. For example, Figure 1 shows that there was a small rise in the level of qualifications held by the working age population between 2003 and 2004.

**Figure 1: Qualification levels in 2003 and 2004**

Source: Labour Force Survey



But what is the significance of this? Does it mean that the UK working population became more skilled or simply that a greater proportion of skills were certificated?

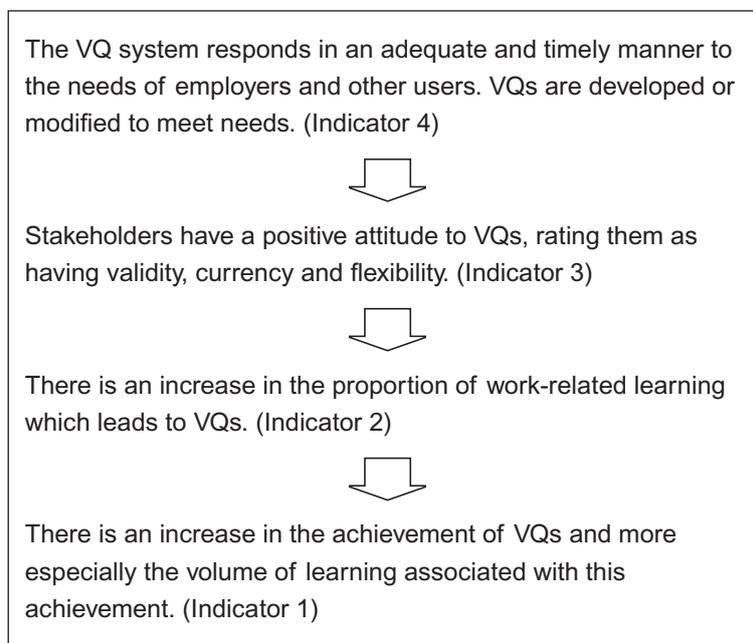
<sup>1</sup>This booklet is intended to give a broad overview of the four indicators. No references to original data are included in this booklet as a full set of references is given in the original reports.

## How can progress be charted?

The UK Qualifications Research Group (UKQRG), a group of senior researchers<sup>2</sup> from the main UK agencies concerned with VQs, considered these questions and concluded that evidence of the effectiveness of the programme would be seen both in the statistics (eg increasing numbers of people gaining VQs) and in ‘softer’ measures, such as improved attitudes to VQs among stakeholders. They developed four indicators of VQ responsiveness:

- Indicator 1: Trends in the numbers and categories of qualifications achieved by people
- Indicator 2: The proportion of all work-related learning that is VQ related in a sample of contexts
- Indicator 3: The attitude of stakeholders toward the value of VQs for different uses
- Indicator 4: The responsiveness of VQs to innovation.

The relationship between these indicators, in a responsive system, is illustrated below. This relationship would be seen across the system as a whole and in each individual economic sector. It could be measured for the UK as a whole or for each of the four nations individually.



If we are to measure progress, we need a **baseline**, against which subsequent progress towards greater VQ responsiveness can be measured. This booklet describes the work to develop a baseline for each of the indicators. Therefore, except for some aspects of Indicator 2, it does not show trends.

<sup>2</sup>The UK Qualifications Research Group (UKQRG) was formed to make VQ research more strategically useful to the VQ development programme. Current membership is provided in the Annex.

## What is a vocational qualification?

As an essential first stage in the work, the UKQRG agreed a definition of a ‘vocational qualification’:

**A vocational qualification is:**

Primarily designed to prepare learners for employment or specific occupations by increasing their knowledge, skill or proficiency in related subjects and therefore it has labour market value for entry to an identifiable occupation or set of occupations without additional qualifications. Vocational qualifications also include those designed to give enhanced labour market opportunities for people currently in (or qualified to enter) an identifiable occupation or set of occupations.

This definition puts the emphasis on the design intentions of the qualification and embraces both initial VQs and those designed to provide further skills development or updating for people already in the workforce.

A further categorisation of qualifications was developed, as shown below. Only categories 1 and 2 meet the definition of ‘vocational’, although categories 3 to 5 may also provide enhanced opportunities for the learner.

**Classification of qualifications**

**Category 1:** Designed primarily to give entry to/advancement in a specific set of occupations or are a necessary condition for continued employment, for example NVQs and SVQs.

**Category 2:** Designed primarily to prepare someone for a range of employment routes, with learning expected to take place in a work-related context, for example GNVQs and GSVQs.

**Category 3:** Designed primarily to give general life skills and/or increase general employability, for example Key/Core Skills and IT proficiency qualifications like the European Computer Driving Licence.

**Category 4:** Designed primarily to support entry to higher-level learning or to recognise learning expected to take place outside a work-related context, for example Scottish Highers, GCSEs (other than vocational GCSEs), A levels and leisure learning qualifications.

**Category 5:** Generic qualifications for which there is no external validation, for example college certificates.

The agreed definition of a VQ and the five categories of qualification represent an important step in the work of developing the indicators, providing a consistent basis for statistical measures and for charting subsequent progress. We can now use them as a basis for the description of each of the indicators.

# Baseline for Indicator 1: Trends in the numbers and categories of qualifications achieved by people

## What Indicator 1 shows

Indicator 1 is intended to show changes in the number of VQs gained and the number of learners gaining VQs, but also needs to take account of the differing size of VQs. The baseline for Indicator 1 therefore incorporates three figures:

- the number of learners achieving at least one VQ (Category 1 or 2)
- the number of VQs achieved in each category (this differs from the first figure, because each learner may gain more than one qualification, not necessarily from the same category)
- the total number of Notional Learning Hours (NLHs) associated with the achieved VQs.

The increasing trend to unitisation suggests that in the future people are likely to achieve more, smaller qualifications. Without an in-built measure of learning volume, this trend would distort the indicator over time. The third figure is therefore the most appropriate currency for the Indicator 1 baseline, because it takes account of the learning hours associated with achieved qualifications. This is independent of changes in the number or size of the qualifications.

**Notional Learning Hours (NLHs)** is an estimate of the time taken by an average learner to acquire the knowledge, skills and competence required by the qualification. It takes into account not only the **Guided Learning Hours (GLHs)** which form the basis of funding, but also the time spent by the learner in private study and practice of skills. NLHs is a common basis for credit rating and transfer systems. In both the Scottish (Scottish Credit and Qualifications Framework) and the Welsh (Credit and Qualifications Framework for Wales) Credit systems, one Credit point represents 10 NLHs.

## Why Indicator 1 matters

If the outcome of the current VQ reforms is to make VQs more responsive to the needs of learners and employers, then this should result in:

- more learners achieving VQs
- the achievement of more VQs (both because more people gain VQs and because of an increase in the average number of VQs per person)
- an increase in the NLHs represented by the achieved VQs.

All of these will contribute to the overall aim of the Government's Skills Agenda, which is to increase the skill level of the UK workforce.

## How the baseline for Indicator 1 was established

The main sources of information for Indicator 1 were the individual learner records of the non-HE, post-16 funding agencies in the four countries of the UK, together with learner records from schools. There are some differences between these sources, but all can be used to link learner details to the qualifications achieved. Taken together, they cover publicly funded pre-16 education, further education, Ufi, work-based learning, adult and community learning and

higher education delivered in FE institutions. Learner records from HESA (the Higher Education Statistical Agency) were analysed separately, because they provide less detail than those from other sources and because it is not possible to establish the precise degree of overlap between HESA records and other records relating to HE courses delivered in FE institutions.

These data sources do not provide information about the achievements of learners outside the main publicly funded institutions. The National Information System on Vocational Qualifications (NISVQ) includes records of VQs gained in independent schools, prison learning<sup>3</sup> and through learning funded entirely by employers, but the lower level of detail in comparison with funding body data, and the overlap between funding body and NISVQ definitions of VQ type and centre categories means that it is not possible to establish accurately how many NISVQ records are additional to those reported in the funding body data. Findings from NISVQ are therefore reported separately.

Each of the learning aims used in these datasets was allocated to one of the five qualification categories described on page 5, with advice on difficult issues provided by an expert panel. This often required professional judgement and discussion to achieve consensus.

Certificates in Signed Communication, which at first appeared to be for personal development, were re-classified as Category 1, when it was established that they were designed for professionals (eg healthcare staff) who work with people with a hearing impairment.

A minority of datasets already showed NLHs for learning aims. For others the NLH was estimated from the GLH, using a ratio of 1GLH = 2.5NLHs.

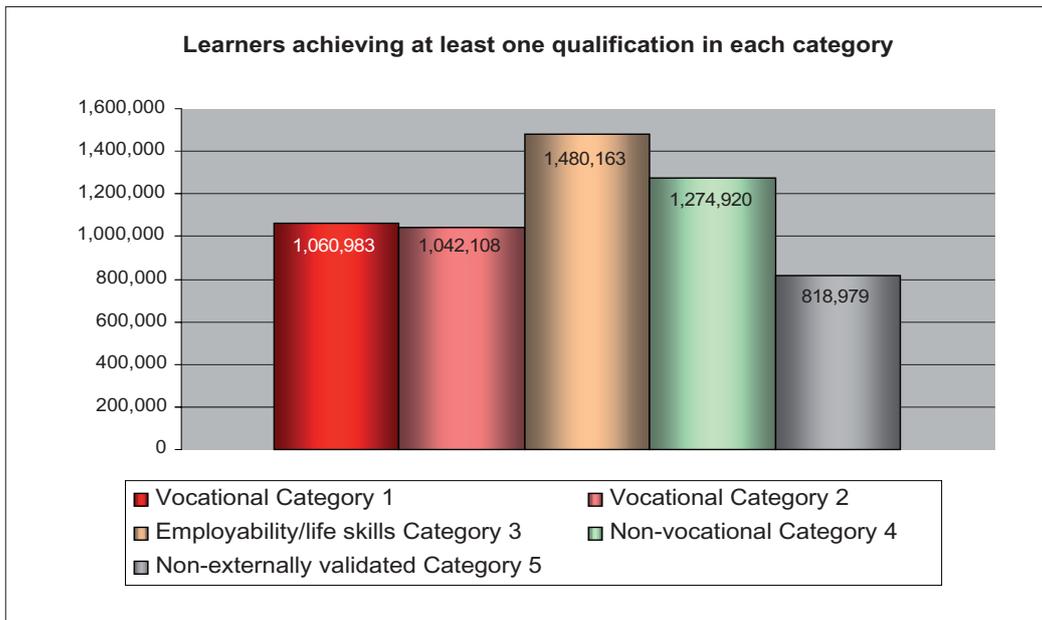
Because some datasets had changed in scope or format between 2003 and 2004, the 2004 calendar year was used as the baseline date. Where calendar year data was not available, the 2003/04 academic year data was used instead. As a high proportion of qualifications are achieved in the summer, towards the end of the funding year, any differences from the calendar year are unlikely to be significant.

## What the Indicator 1 baseline figures are

- During 2004 almost 2 million learners (1,956,719) aged 16 or over achieved at least one VQ, ie a qualification in Category 1 or 2; these represent 43 per cent of the total learners recorded in the post-16 datasets as achieving qualifications of any type during the year. (Some learners achieved qualifications in more than one category, so that the numbers in Figure 2 add up to more than the total learners represented.)
- In addition 1.4 million learners (32 per cent of the total) achieved at least one employability qualification (Category 3) during 2004.
- Of learners achieving VQs (Categories 1 and 2), 56 per cent were female and 77 per cent were aged 19 or over.
- Almost 3 million (2,890,134) VQs were achieved – see Figure 3 (this differs from Figure 2, because each learner may gain more than one qualification and because non-vocational learners are, on average, likely to take more qualifications).
- The achieved VQs (Categories 1 and 2) represent 28 per cent of total achieved qualifications recorded in the post-16 datasets.
- The achieved VQs represented a total of 843 million NLHs – out of a staggering 2.6 billion NLHs associated with the achieved qualifications in all categories – see Figure 4.

<sup>3</sup>For future years the LSC dataset will include figures for prison learning.

**Figure 2: Breakdown of learners by qualification category**  
 Source: 2003/04 and 2004 UK Learner Records



**Figure 3: Breakdown of achievements by qualification category**  
 Source: 2003/04 and 2004 UK Learner Records

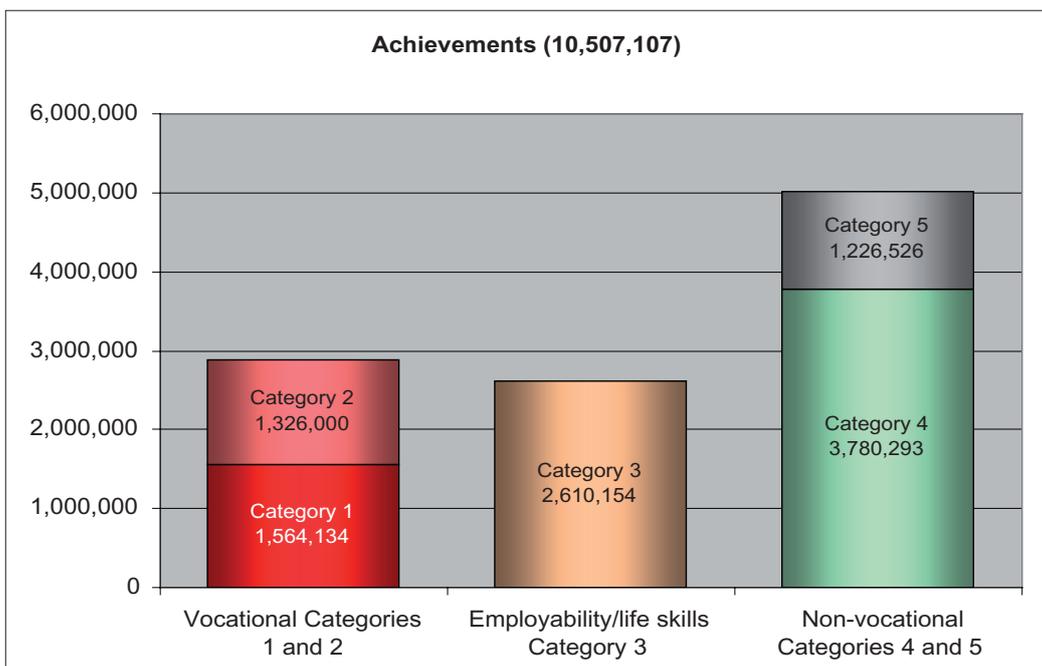


Figure 4: Breakdown of notional learning time by qualification category  
 Source: 2003/04 and 2004 UK Learner Records

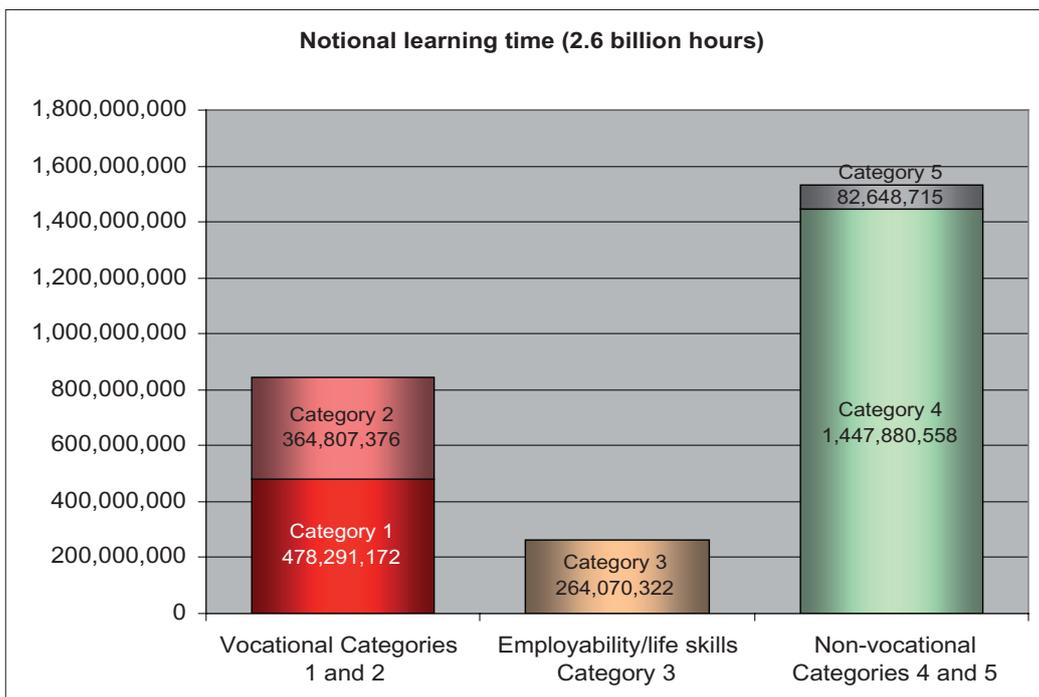
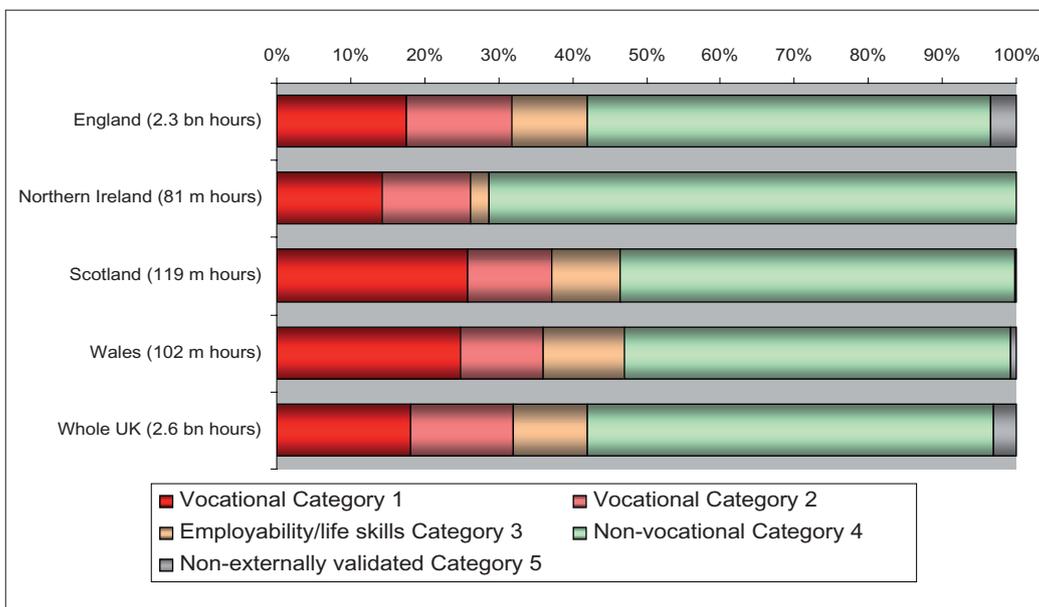


Figure 5 shows the breakdown of NLHs by qualification type in each country, highlighting the dominance of non-vocational qualifications, especially in Northern Ireland.<sup>4</sup>

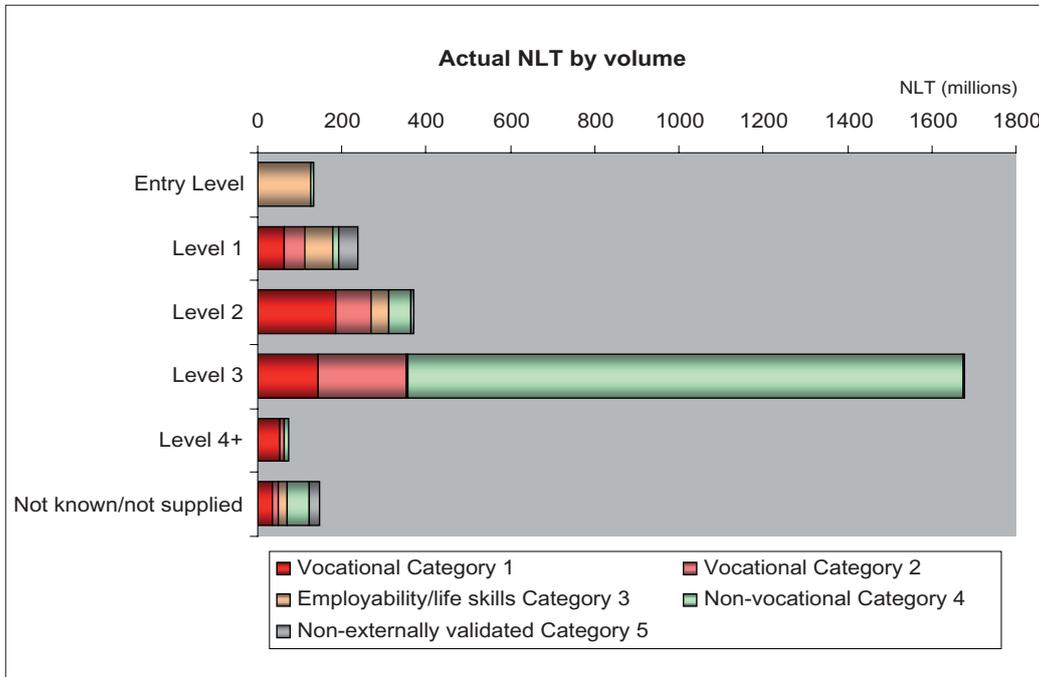
Figure 5: Breakdown of notional learning time for each qualification category by country  
 Source: 2003/04 and 2004 UK Learner Records



<sup>4</sup>Differences between countries may be due partly to differences in data-gathering systems and qualification frameworks.

Figure 6 shows the breakdown of NLHs by qualification type for each level, using NVQ/SVQ equivalent levels from Entry level (where most provision is of the employability or life skills type) to sub-degree HE (where a high proportion is vocational in nature).

**Figure 6: Breakdown of notional learning time (NLT) by qualification category**  
 Source: 2003/04 and 2004 UK Learner Records



In general, the proportion of NLHs associated with VQs rises with level; the exception is at level 3, where there is a large volume of academic qualifications, such as A/AS levels and Highers.

These figures, which are derived from the funding body data, underestimate the true extent of VQ achievement, because:

- some of the 2.4 million VQs recorded on the NISVQ database are likely to be additional to the above, especially where achieved through centres which are prisons, the armed forces or employers
- many of the 0.57 million VQs at level 4 or above recorded on the HESA database are likely to be additional to those recorded on the non-HE funding body datasets.

### Next steps for Indicator 1

The work to date has developed a methodology for combining results from the various available datasets and has established a baseline from 2004 data. As data for later years becomes available, it will be possible to monitor any changes in the indicator and to identify any linkage with developments in VQ reform work. Some further datasets may become available in future years, but these are likely to be small in relation to the volume of data used for the baseline.

To coincide with the availability of data for other indicators, it is envisaged that the next major review of Indicator 1 will be in 2008, using data from 2007.

# Baseline for Indicator 2: The proportion of all work-related learning that is VQ related in a sample of contexts

## What Indicator 2 shows

Indicator 2 is intended to show whether the amount of work-related learning related to VQs is rising as a proportion of all work-related learning. There is, however, no data source which can give a single figure for this indicator. Much work-related learning takes place in the workplace, often informally, and goes unrecorded and unquantified. The approach to Indicator 2 is therefore based on three sub-indicators which can collectively allow a judgement to be taken on whether the responsiveness of VQs is leading to a rise in their share of all work-related learning:

- Indicator 2A is the ‘Recorded learning mix’ and compares the vocational elements of Indicator 1 (Categories 1 and 2) to learning not classed as vocational (Categories 3 to 5). This will measure the extent to which vocational learning is increasing as a proportion of all completed learning (expressed in Notional Learning Hours (NLHs))
- Indicator 2B, the ‘Learning activity mix’, gives an analysis of trends in work-related learning from the Labour Force Survey (LFS), for example the proportion of education and training activity that equates to vocational learning. This will measure the extent to which the elements of learning and training aligned to vocational learning are rising as a proportion of all LFS-measured education and training activity
- Indicator 2C, ‘Trends comparisons’, will provide an analysis of rates of increase in vocational learning (from Indicator 1) and the rate of increase in engagement in any form of learning (from the LFS). This will determine whether any measured increase in the volume of achieved vocational learning is in line with, behind or ahead of, any measured increase in overall engagement in learning activity in work.

Indicator 2C cannot be derived until there is data from at least two years.

## Why Indicator 2 matters

If VQs are becoming more responsive to the needs of employers and learners, then it is expected that there will be increased take-up of VQs, as compared with other qualifications, and increased use of VQs to certificate work-related and work-based training and education (this is learning which might have taken place anyway, but without the use of VQs).

Increased use of VQs should also mean that, over time, the proportion of the workforce holding VQs will increase. The levels of all qualifications held by workers should also rise, both because of the increase in VQs and because of the more general policy to raise the skill and qualification levels of the workforce.

## How the baseline for Indicator 2 was established

Indicator 2A is derived from the data used for Indicator 1. It shows what proportion of the learning (measured in NLHs) leading to an achieved qualification in the post-16 datasets was related to a VQ (Categories 1 and 2).

The sub-components of Indicator 2B are derived from the LFS. This is a UK-wide survey of a large representative sample of the working-age population. Surveys are conducted quarterly on

a rolling sample (about 20 per cent of the sample are replaced each quarter) and the questions asked differ between quarters. The sub-components of Indicator 2B are explained below, together with the findings.

### **What the Indicator 2A baseline figures are**

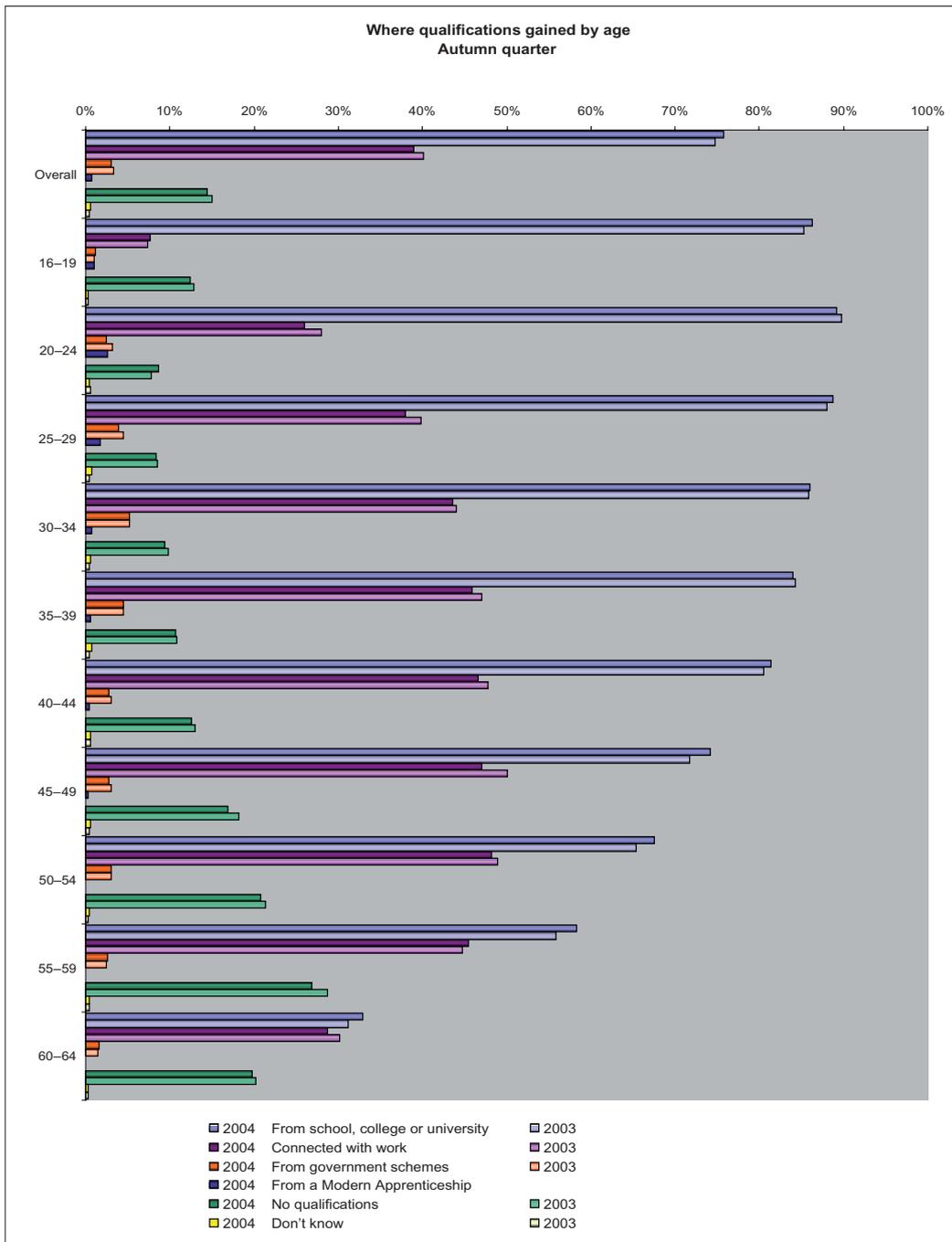
The baseline for Indicator 2A is based on 2004 data from the post-16 datasets. It shows that 32 per cent of total recorded learning (measured in NLHs) leading to an achieved qualification was related to a VQ. The percentage was slightly higher in Scotland and Wales (37 per cent and 36 per cent respectively) and lower in Northern Ireland (26 per cent).

### **What the Indicator 2B baseline figures are**

For Indicator 2B, LFS data was available both for 2003 and for 2004. It is therefore possible to report both baseline data from 2003 and any changes in 2004. The findings for the sub-indicators of 2B and the reasons for their significance are as follows:

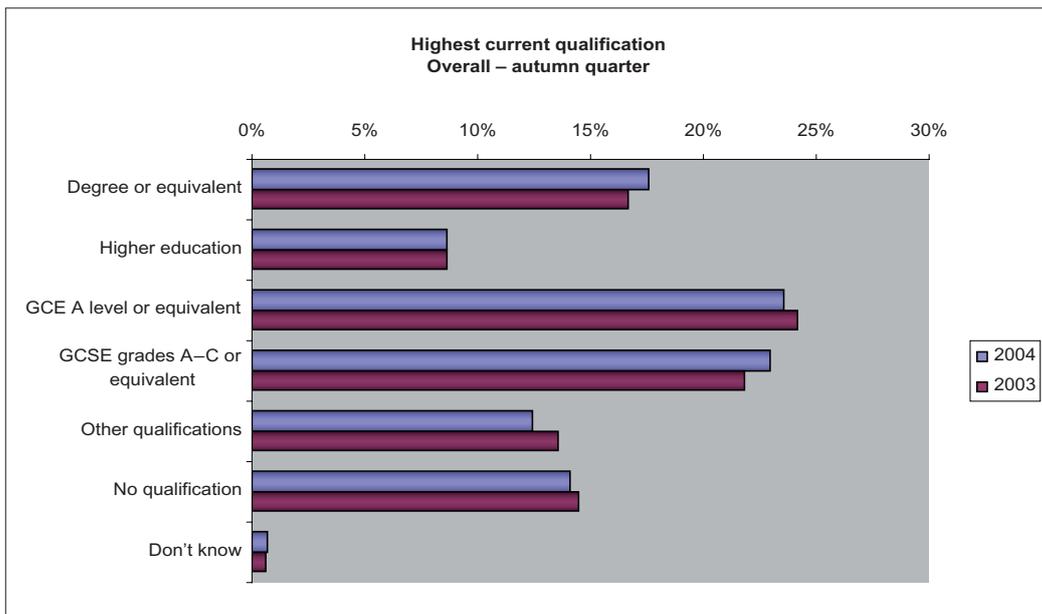
**Where qualifications were gained** (eg school or college, in work-related contexts, from government schemes). This is relevant, because an increase in the proportion of work-related learning which is VQ-related should be reflected in an increase in the proportion of the population holding qualifications gained in a way ‘connected with work’. However, it provides only partial evidence, because qualifications gained in college may also be work-related. The LFS shows that in 2003, 75 per cent of the sample held qualifications gained from school, college or university; this increased by one percentage point in 2004. The proportion holding qualifications gained in connection with work was 40 per cent in 2003 and fell slightly in 2004, but this was balanced by the new category of (Modern) Apprenticeships. Figure 7 shows how the percentage holding qualifications gained in connection with work rises with age up to age 50.

Figure 7: Where qualifications were gained by age  
 Source: Labour Force Survey



The level of **highest qualification held** provides evidence of whether the total stock of qualified people is rising; as a background to other evidence concerning the increase (or otherwise) of take-up of VQs. It does not, however, distinguish between vocational and ‘academic’ qualifications. Figure 8 shows the level of highest qualification held, counting any qualification, however small (eg a single GCSE) and Figure 1 on page 3 shows similar information, but only for full qualifications or recognised combinations (eg an NVQ level 2 or five GCSEs at level 2; an NVQ level 3, a BTEC National or two A levels at level 3). Both these count both academic and vocational qualifications. Both show an increase in the percentage qualified at the highest level and at level 2, but a stabilising or slightly reduced percentage whose highest qualification is at level 3.

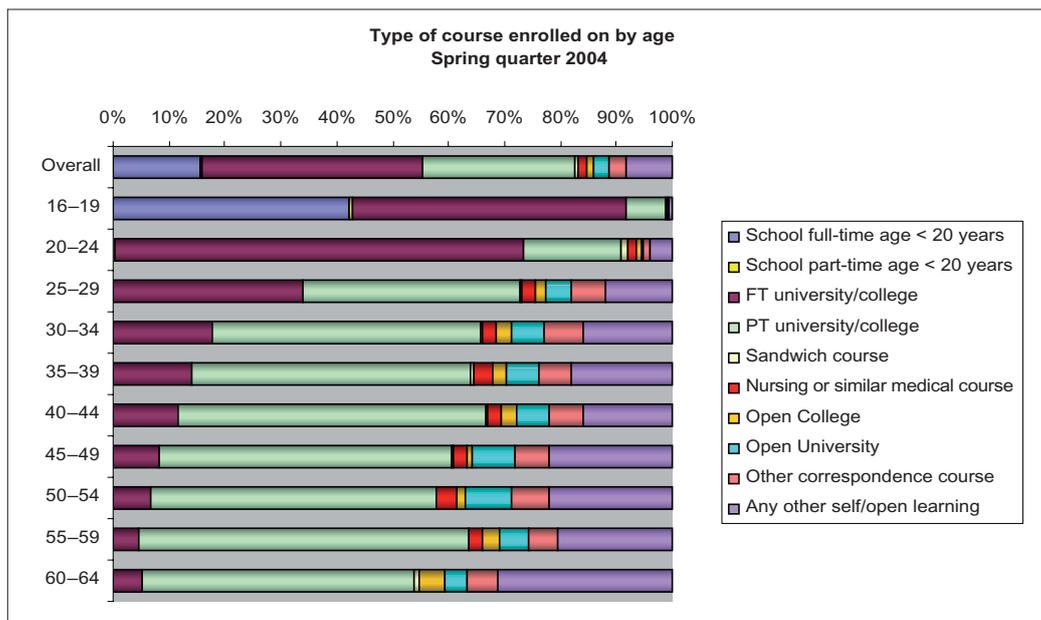
**Figure 8: Highest qualification**  
**Source: Labour Force Survey**



The **percentage currently studying towards a qualification** provides evidence of whether total learning activity is increasing. In 2003, 17 per cent of those surveyed were studying towards a qualification (academic or vocational); the percentage remained the same in 2004. In both years the percentage declined with age, dropping sharply from around 70 per cent at age 16–19 to 35 per cent at 20–24 and continuing to decline more gently thereafter.

The **mode of learning** for any current study is of interest because it includes the categories of ‘other correspondence course’ and ‘other self/open learning’, which are unlikely to be included in the statistics of publicly funded learning used for Indicator 1. This sub-indicator can therefore suggest the relative importance of publicly funded learning in the full range of learning leading to qualifications. LFS data for spring 2004 showed that 15 per cent of the sample were either enrolled on a course or waiting to start one; Figure 9 shows the mode of learning for this study, with 13 per cent enrolled on these two ‘other’ modes. Figure 9 also shows the high importance of part-time courses and open learning and self-study for the over-30s.

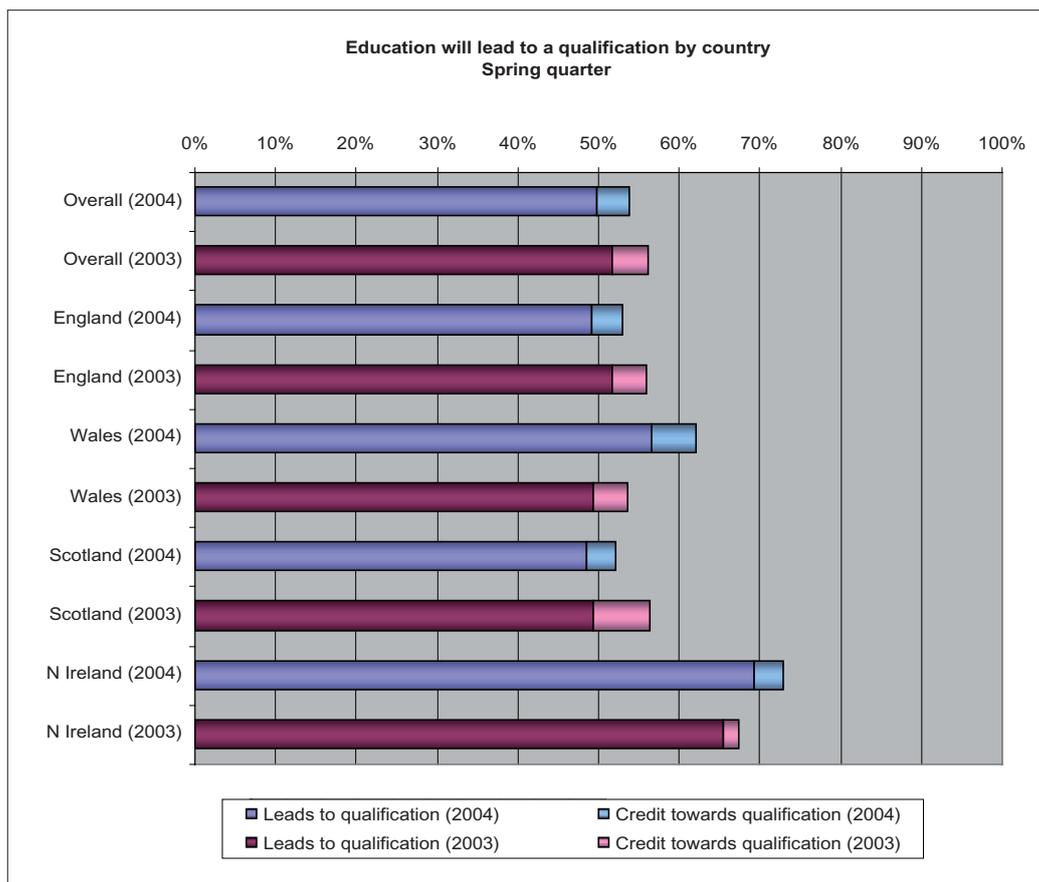
**Figure 9: Type of course by age**  
**Source: Labour Force Survey**



Whether work-related education or training leads to a qualification is of interest in estimating the use of VQs in connection with work-related learning. LFS data for 2003 shows that 29 per cent of those in employment (24 per cent of the whole working-age population) had taken part in work-related education or training in the three months preceding the survey. Out of these, 57 per cent were (or had been) on a course which would lead to a qualification or credit towards a qualification. Figure 10 shows how this differed between the four UK countries<sup>5</sup> and how this changed in 2004.

**Figure 10: Course of study leads to a qualification**

Source: Labour Force Survey



The data underlying Indicators 1 and 2 can be broken down by age, gender, geographical area and sector of study or employment, with breakdown by ethnicity available for some datasets.

## Next steps for Indicator 2

Work to date has developed a methodology for deriving the indicators from the LFS and the various available datasets, as used for Indicator 1. It has established a baseline from 2003 data and for some measures has also derived data for 2004.

As data for later years becomes available, it will be possible to monitor any changes in the indicator and to identify any linkage with developments in VQ reform work. Comparison between data from the two main sources will also provide the Indicator 2C ‘Trends comparisons’.

Because of the dates of some important surveys, it is envisaged that the next major review of Indicator 2 will be in 2008, using data from 2007.

<sup>5</sup>The LFS sample size in Northern Ireland is relatively small and the resulting figures may therefore be less accurate than those for other parts of the UK.

# Baseline for Indicator 3: The attitude of stakeholders toward the value of VQs for different uses

## What Indicator 3 shows

Indicator 3 is intended to show what value different groups of stakeholders place on VQs in relation to a number of different uses which may be made of them. Since ‘value’ may be defined according to a number of ‘properties’ (currency, validity, etc) as described below, the indicator has three variables: stakeholders, uses and properties.

The most important **stakeholder** groups are the major users, ie:

- employers
- individual employees or potential employees or learners

The **uses** made of VQs are many, but the most important are:

- by employers in the recruitment and selection of new staff
- by employers for extending or updating the skills of existing employees
- by individuals as a route into employment
- by individuals as a tool for occupational progression or personal development.

The ‘value’ of a VQ lies in how far the stakeholders believe it possesses each of the ‘**properties**’ shown in the table below.

**Table 1: Properties of vocational qualifications**

<b>Property</b>	<b>General definition used in the Indicator Framework</b>
Validity	Competent performance in task, post, occupation, sector
Progression	Ability of VQ to offer potential for individual to progress to benefit of him/herself or business
Currency	Enhancement of a business's ability to compete in the market and an individual's value in the labour market
Flexibility	Compatibility of delivery methods and assessment requirements with the needs of the business/individual/provider capacity/awarding body capacity
Transparency	Understanding of employers and individuals as to the content of the VQ and the skills it develops/confirms
Recognition	Familiarity with relevant VQs
Reliability	A VQ being assessed at a similar standard to other VQs at relevant level or same sector (and by competing awarding bodies)
Value for money	Benefits outweighing costs to the business/individual

## Why Indicator 3 matters

A major reason for the establishment of the VQ reforms was the belief that VQs are not sufficiently responsive to the needs of users, especially those of employers. If the programme is successful therefore, its success should be reflected in increasingly high ratings in surveys of stakeholder views. As illustrated in the flowchart on page 4, higher satisfaction levels should in

turn lead to greater take-up of VQs, both to accredit employer-sponsored training and to provide recognised and accepted progression routes into employment.

### How the baseline for Indicator 3 was established

The project consultants drew up an initial longlist of categories of stakeholders, uses and properties of VQs on the basis of a literature and data review and stakeholder interviews. The definitions of properties were constructed by considering how they affected the user’s view of a qualification’s usefulness. To make the Indicator Framework more manageable, it was refined by reducing the number of categories for each of the variables.

Although the relative importance of the properties differs a little between stakeholder groups; the most important overall are currency, validity and flexibility. Table 2 shows the relevance of each of these three from the viewpoint of the employer and the employee.

Table 2: Core indicators for employers and (potential) employees

Property	For <i>employers</i> this is the extent to which employers...	For <i>employees</i> this is the extent to which employees or potential employees...
Currency	believe that (potential) employees who hold VQs have knowledge and skills that enhance the ability of a private sector business to compete in the market or enhance the ability of a public sector organisation to discharge its duties.	believe that possession of the VQ enhances their value in the labour market.
Validity	are confident that possession of the VQ ensures that current and/or potential employees have the skills required for competent performance in the particular task, post or occupation.	are confident that possession of the VQ will enable them to perform competently in the sector/business/ occupation of their choice.
Flexibility	believe that the delivery methods and assessment requirements of the VQ are compatible with the needs/ demands of the business.	believe that the delivery methods and assessment requirements of the VQ are compatible with their needs and lifestyle.

The next stage was to identify where data already existed which was directly relevant to the indicator or where there were survey questions which could be used to make relevant inferences. Where no relevant data already existed, questions were formulated for possible inclusion in existing surveys in the future.

Unlike Indicators 1 and 2, there is little data currently available which can be used directly for indicator 3. A number of surveys (for example the various national employer surveys) ask about attitudes, but there are few which ask questions directly related to qualifications. Those which do, have an uneven coverage of the four countries of the UK and are conducted infrequently or irregularly. With the exception of a few one-off surveys and research studies, they rarely ask about specific VQs or groups of VQs. Evidence for this indicator must therefore be inferred from a range of sources, some of which relate only indirectly to the central question, and must be supplemented by the findings of one-off research studies. In the longer term, the baseline must be strengthened by investing in systematic data gathering.

## What the Indicator 3 baseline figures are

### *Employers*

One area which reveals employer attitudes to the **currency** of VQs is their use in the recruitment process:

- 66 per cent of employers rated qualifications as important to the recruitment process, but qualifications ranked below experience (89 per cent), skills, motivation and references
- 80 per cent of employers in Scotland use qualifications as an indicator of the skills which they expect individuals to possess
- possession of a qualification increases an individual's chances of gaining employment
- employers who take account of qualifications value non-NVQ VQs above NVQs or academic qualifications, with qualifications being more valued at higher skill levels
- many job adverts do not ask for specific qualifications
- there is some evidence of a trend away from the use of VQs in recruitment towards other 'non-meritocratic' criteria.

Evidence of the value which employers attribute to VQs can also be found in relative rates of pay:

- rates of pay reward possession of a qualification at level 3 or above, but not at lower levels
- only 26 per cent of employers said that formal qualifications were a factor in determining rates of pay, well below the ratings for job grade (60 per cent), hours worked, overtime, skills (46 per cent) and years of service.

Employer practices in recruitment and pay typically relate to employee possession of VQs gained through formal study, usually before recruitment. There is also some evidence from surveys concerning employer attitudes to the use of VQs in training for existing staff:

- both the National Employers Skills Survey (England) and the *Northern Ireland Skills Monitoring Survey* found that in 51 per cent of establishments at least some of the training provided by the employer was intended to lead to a formal qualification; this was more often true in larger establishments
- the DfES NVQ survey found rather higher figures for establishments which either provided or funded training; 67 per cent of these had supported some training leading to a qualification, with 55 per cent training at least one person to a non-NVQ and 34 per cent training at least one person to an NVQ.

Other findings related to currency are:

- employer attitudes vary by sector; VQs are more highly regarded in engineering and construction than, for example, in business and computing
- there is concern that the knowledge gained via more academic qualifications can quickly become out of date in fast-changing areas such as IT.

There is very limited evidence of employer views on the **validity** of qualifications. What evidence there is indicates that employers are satisfied with the skills provided by different types and levels of qualification, especially HNCs and HNDs, but consider communication skills to be inadequate at almost all levels. The DfES survey of attitudes to NVQs found that 54 per cent of employers who offered NVQs to their staff considered that the organisation had benefited by doing so; the benefits included improvements in workforce skills, motivation and quality of outputs.

Research studies point to lower employer satisfaction with the **flexibility** of VQs. This is particularly the case with NVQs, which are criticised for their time-consuming assessment, slow updating to meet changing needs and bureaucratic accreditation procedures. Among employers who do choose NVQs, however, the most common reasons for the choice were the flexible pace of learning and the ability to adjust the qualifications to business needs.

There is some evidence in England, Wales and Scotland to point to a lack of **transparency** in VQs, with employers saying that they do not understand the qualifications system or the purpose of different types of qualification. Evidence on **recognition** and **understanding** was patchy. Evidence is weak and sometimes conflicting concerning employer perceptions of the **value for money** of VQs:

- the DfES survey of attitudes to NVQs found that 54 per cent of employers who offered NVQs to their staff considered that the organisation had benefited greatly (22 per cent) or somewhat (32 per cent) by doing so
- some research studies suggest that VQs at lower levels bring few productivity gains, but in the DfES NVQ survey 51 per cent of employers offering NVQs (at all levels) cited increased productivity as a benefit, together with less waste (41 per cent) and increased profit (31 per cent)
- some research studies suggest that employer provision of training leading to VQs may be perceived as leading to greater employee retention problems
- funding tends to be available for courses that employers do not want and for whole qualifications when employees only need units.

In summary, the evidence for employer attitudes shows that: there are significant differences between different levels and types of VQ and across sectors, but that in general qualifications have **currency** in recruitment and some currency in relation to pay rates at levels 3 and above; some qualification types have **validity**; **recognition** and **understanding** are good in some sectors; and attitudes in relation to flexibility, transparency and value for money are generally negative.

### ***What the Indicator 3 baseline figures are – individuals (employees and potential employees)***

The category of ‘individuals’ includes current employees and also young people as potential entrants to the labour market, as well as actual employees.

Evidence for individual attitudes to the **currency** of vocational qualifications comes mainly from the National Adult Learning Survey (NALS), with additional evidence from the Survey of Student Experience in Scotland and the National Learner Satisfaction Surveys (NLSS) for England and Wales. Together these show that:

- 94 per cent of individuals agree that ‘you are more likely to get a better job if you do some learning, training or education’
- 59 per cent agreed strongly and 22 per cent agreed slightly that ‘you need qualifications to get anywhere these days’; in conjunction with the previous question, this implies that 13 per cent think that learning is sufficient without qualifications (Note: this question does not differentiate between academic and vocational qualifications)
- improving employment prospects was a key reason for participation in post-compulsory further education or training (NALS); 44 per cent of people who had started a course did so because they thought it would help them with a job in the future
- the NALS survey found that 37 per cent of people who started a course did so to get a qualification (NALS), but in the 2003/04 NLSS survey for England, 78 per cent of learners said that one reason for their choice of course was to gain qualifications

- in Scotland 90 per cent of learners felt that the relevance of the course to the job they hoped to do was an important part of their learning experience and 83 per cent were satisfied that their course was actually relevant
- in Wales expected benefits of undertaking a course included ‘get more satisfaction from work’ (74 per cent), ability to progress through career (73 per cent), get a different/better job (63 per cent) and learn skills for current job (53 per cent), although there were six higher rated reasons including improve knowledge of subject (95 per cent) and meet new people (83 per cent).

Birth cohort studies show that possession of a level 1 or 2 award makes the holder significantly more likely to be employed; however, it carries no wage premium.

Individuals tend to have a high view of the **validity** of VQs; 79 per cent of English learners agreed that the course they had taken had provided them with skills they could use in a job (NLSS England 2003/04). The proportion was 83 per cent for learners in further education, significantly higher (95 per cent) for work based learners and was unsurprisingly lower (50 per cent) for Adult and Community learners on non-accredited courses.

In Wales 51 per cent of respondents who cited any benefit from their course said that it had helped a lot with getting a different/better job and 19 per cent that it had helped a little with this. For each of the other anticipated benefits listed above, 60 per cent or more said that it had helped a little and 25 per cent or more that it had helped a lot.

The extent to which holders of VQs regard them as providing good **progression** routes to further learning can be judged by the numbers in the NALS survey who said that they ‘did not have the qualification needed to get onto most courses’. For most VQs this was between 5 per cent and 10 per cent of respondents, but under 5 per cent for ONC/OND and HNC/HND holders. The VQ types with the highest proportion experiencing problems were ‘HGV licence’, ‘Youth training certificate’, GNVQ and NVQ.

Research in Scotland in 2005 showed difficulties on progressing between SVQs and other qualifications routes.

Little evidence is available concerning individual attitudes to the **flexibility** of VQs, other than the 1998 MORI survey<sup>6</sup> which found that 37 per cent of adults had been put off learning by the stress placed on qualifications. Of learners in Wales, 16 per cent reported a problem fitting in their course with commitments at work (NLSS Wales).

Researchers and commentators often draw attention to the confusing ‘jungle’ of UK VQs and the difficulties caused by repeated changes, but there is no hard research evidence to confirm that individual employees or young people share their view of the poor **transparency** of VQs.

Attitudes to the **value for money** of VQs could be inferred from:

- attitudes to VQs as compared with A levels; the proportion considering that a 16-year-old should automatically study for A levels has dropped from 53 per cent in 1995 to 42 per cent in 2005<sup>7</sup>
- willingness to save and pay for learning; only 28 per cent of respondents would save for learning using bank accounts specifically for that purpose.<sup>8</sup>

Later research has indicated a greater willingness to pay for learning.

The evidence for individual attitudes shows moderate support for the **currency** of VQs, generally favourable attitudes to their **validity**, and weak, but rather negative, evidence for attitudes to **progression, flexibility and value for money**.

<sup>6</sup>MORI, *Attitudes to learning* survey, 1998.

<sup>7</sup>British Social Attitudes Survey.

<sup>8</sup>National Adult Learning Survey.

### **Next steps for Indicator 3**

The existing data available for Indicator 3 was less comprehensive than was the case with Indicators 1 and 2. In addition to monitoring changes in this existing data, future work will therefore focus on extending data coverage (including improving UK-wide coverage). UKQRG will work with the relevant survey agencies on proposals to insert new questions on VQs into current surveys or, where appropriate, to modify existing questions so that they focus on currency, validity and flexibility and progression of VQs.

It is envisaged that the next measurement of Indicator 3 will take place in 2008.

# Baseline for Indicator 4: The responsiveness of VQs to innovation

## What Indicator 4 shows

Indicator 4 is intended to show any change in the ability of the VQ system to respond to changing circumstances and demands and to meet the needs of learners, employers and providers. Unlike the other indicators, this indicator relates to the VQ system as a whole, rather than to individual VQs or groups of VQs.

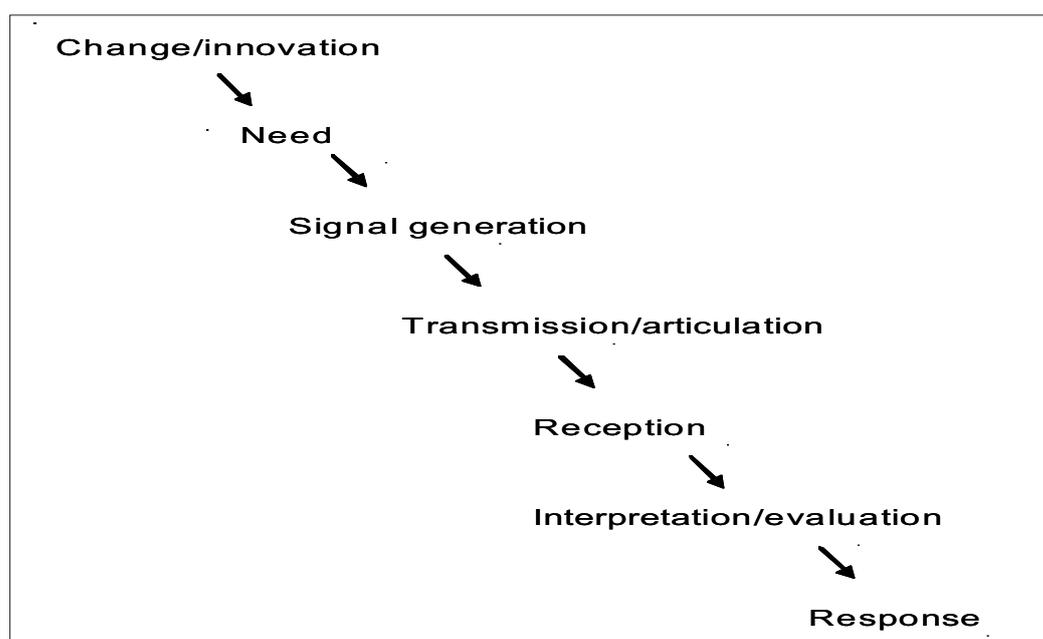
The 'VQ system' includes all the processes and organisations involved in the development, validating and marketing of National Occupational Standards, the development and accreditation of VQs (whether or not based directly on National Occupational Standards) and the delivery, assessment and quality assurance of VQs.

'Innovation' is taken to include all the social, economic and technological developments that are already having, or are likely in the near future to have, an impact on VQs. These include economic and demographic factors, changing skills needs (especially related to quality and technology), safety and security and policy priorities. Some have an impact on VQs in all economic sectors, others are specific to one sector or occupation. Some are long-term developments, others are short-term stimuli.

The responsiveness of VQs to innovation is conceptualised as a signal/response mechanism, in which a 'signal' of the need for change is transmitted through the VQ system and results in a 'response' in the form of new or amended VQs. 'Responsiveness' reflects both the speed and the adequacy of the response.

Figure 11 provides a conceptual model of how changes resulting from the economic, social and technological context may be channelled through intermediaries to the VQ system.

**Figure 11: Conceptual model of how signals are transmitted to and are absorbed into the VQ System**



## Why Indicator 4 matters

The principal aim of the VQ reform work is to make the VQ system more responsive to change and to user requirements. If this aim is achieved, then there should be evidence that the VQ system is responding more quickly and effectively to changing circumstances, whatever their nature or origin. This in turn will lead to more positive stakeholder attitudes to the currency, validity and flexibility of VQs and, as illustrated in the flowchart on page 4, will lead to the hard numerical evidence of greater use of VQs represented by Indicators 1 and 2.

## How the baseline for Indicator 4 was established

The development of the baseline and the underlying conceptual model was undertaken with the aid of expert stakeholders, through individual consultations, a seminar and a meeting of an expert panel. This process:

- developed and tested the conceptual model, including how signals are ‘transmitted’ through the system and the role of the different players
- piloted the baselining through an expert panel
- identified the long-term major changes, which have been affecting, and are likely to continue to affect, VQs in the coming years
- identified the most important signals in recent years, the ways in which the VQ system has responded and the effectiveness of the response
- considered ways of reviewing system responsiveness in the future.

## What the Indicator 4 baseline is

The responsiveness of VQs to innovation cannot be derived from quantitative data or expressed numerically. The baseline therefore comprises examples of faster and slower responsiveness, which together point to the factors which influence the speed of response.

Three examples of a **fast response to innovation** by the VQ system have been identified:

- the establishment of the Security Industry Authority by the 2001 Private Security Industry Act (itself a government initiative) led to the licensing of door supervisors (‘bouncers’) and the need for a related qualification as a licence to practise. The initiative had the support of employers, employees, police, health services and local authorities. A consortium of awarding bodies worked with the industry to develop a two-part qualification, based on a 30-hour course and this was accredited by QCA in June 2004
- the ageing of the population has led to an increased need for health and social care for the elderly. The Care Standards Act 2000 set up the Social Care Register and instituted a gradual programme of requiring care workers in different sub-sectors to be assessed as suitable and registered. VQ awarding bodies have responded by ensuring that a suite of suitable qualifications is available
- a demand from employers, supported by the Sector Skills Council, for a supervisory level N/SVQ in ‘vehicle fitting’ (for fast-fit services of brakes, exhausts, etc) met with a rapid response.

These illustrate how several factors can prompt a rapid response:

- a clear need, with a deadline based on statutory requirements
- an assured large demand, making it economically viable for awarding bodies to develop the provision
- the support of employers and others in the industry.

Other examples show where the response has been either slow or inappropriate and suggest contributory factors. Examples of a **slower response** are:

- proposals for a registration scheme and qualification for digital television aerial installers had not (at the time of the research) been implemented. Delaying factors appeared to be that a number of bodies were involved, including two government departments, and that there was less sense of urgency about the need
- a demand from a water authority for a flexible ‘pick and mix’ VQ at level 3 was rejected, as being too difficult to accommodate within existing frameworks
- awarding bodies are reported to be reluctant to respond to calls for qualifications (to be linked to registration) in tattooing and body piercing, as this is considered to be sensitive for political and religious reasons
- demand for VQs from employees in two areas, personal trainers and call centre operators, have not yet resulted in the development of qualifications, suggesting that it is more difficult for ‘signals’ from employee groups to be transmitted through the system
- much employer training is unaccredited, as accreditation is generally seen as offering little additional benefit.

### **Next steps for Indicator 4**

UKQRG envisages that there will be a review of Indicator 4 in 2008 and will:

- review progress in the key policy developments noted in 2005–06 (ie 14–19 Specialised Diplomas, Sector Skills Agreements and labour market regulation) to determine whether these show evidence of greater or lower VQ responsiveness
- identify more recent examples of stimuli and response, to determine whether system response has become more or less timely and adequate
- review the longer-term major changes which are expected to affect VQs, to determine what the actual impact has been.

## Further information

### *Access to full reports*

Baseline data on Indicators 1 and 2. A report produced by RCU Market Research Service is available on CD-ROM from QCA.

Baseline data on Indicators 3 and 4. A report will be available from QCA in December 2006 which is based on work by ECOTEC.

# Annex: The UK Qualifications Research Group (UKQRG)

Mike Coles, Senior Researcher, Qualifications and Curriculum Authority, [colesm@qca.org.uk](mailto:colesm@qca.org.uk)

Lesley Giles, Head of Research, Sector Skills Development Agency (SSDA),  
[lesley.giles@ssda.org.uk](mailto:lesley.giles@ssda.org.uk)

Carolyn Davidson, Business Manager, Research and Information Services, Scottish  
Qualifications Authority, [Carolyn.Davidson@sqa.org.uk](mailto:Carolyn.Davidson@sqa.org.uk)

Anne Greaves, Head of Learning Research, Learning and Skills Council,  
[Anne.Greaves@lsc.gov.uk](mailto:Anne.Greaves@lsc.gov.uk)

Merfyn Morgan, Vocational Qualifications Adviser, Department for Education, Lifelong  
Learning and Skills, Welsh Assembly Government, [Merfyn.Morgan@wales.gsi.gov.uk](mailto:Merfyn.Morgan@wales.gsi.gov.uk)





# About this publication

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**Who is it for?** All bodies with an interest in the UK system of vocational qualifications.

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**What is it for?** To raise awareness of the benchmarks for measuring progress in making the UK system of vocational qualifications more responsive to the needs of individuals, employers and others who use qualifications in recruitment.

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**Contact information** Research Manager  
Research and Evaluation team  
Qualifications and Skills Division  
QCA  
83 Piccadilly  
London W1J 8QA

**For more copies:**

Lisa Brook  
brookl@qca.org.uk  
020 7509 5774