

**AN ASSESSMENT OF THE CONTRIBUTION
WHICH PRIVATE TRAINING PROVIDERS CURRENTLY
MAKE TO VOCATIONAL EDUCATION AND
TRAINING PROVISION IN SCOTLAND**

Muriel Helen Dunbar

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ABSTRACT

The introduction to this thesis outlines the concerns which led to the development of the National Education and Training Targets and the degrees of success which different sectors in Scotland are experiencing in meeting these Targets. It documents the rise in the number of private training providers, the controversy which has surrounded them and the market niches which they dominate. The aim of the research is then described as an assessment of whether the resource which the private training providers represent could be better utilised to increase training capacity within Scotland and thereby contribute towards achieving the Targets related to level III SVQs which are proving particularly elusive.

In Chapter 2 the research methodology to be used is discussed, followed in Chapter 3 by the results of the literature review which confirms the lack of any research on private training providers.

The field research is documented in Chapters 4, 5 and 6, describing and analysing in chronological order the data gathered through the use of a postal survey followed by interviews with selected private training providers

and national and regional agencies. Additional information gathered from a workshop on the research topic is included within these chapters, as appropriate.

Chapter 7 draws together the conclusions from the literature review and the field research focussing in particular on what they tell us about the market for private training providers, their status, method of operation and the quality of their services. Recommendations follow in Chapter 8 which, whilst acknowledging the valuable contribution made by a proportion of the private training providers, propose that the continuing expansion of the sector should be halted until some rationalisation of it has been undertaken and support given to those providers considered to have the potential to sustain a commercially-viable business providing high quality training services.

Muriel Dunbar

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ACRONYMS

| | |
|----------------|---|
| ASCETT | Advisory Scottish Council for Education and Training Targets |
| CBI | Confederation of British Industry |
| DfEE | Department for Education and Employment |
| FE | Further education |
| HIE | Highland and Islands Enterprise |
| HMI | Her Majesty's Inspectorate |
| HRD | Human Resource Development |
| IIP | Investors in People |
| LEC | Local Enterprise Company |
| NIACE | National Institute for Adult Continuing Education |
| NTO | National Training Organisation |
| NVQ | National Vocational Qualification |
| SCOTVEC | Scottish Vocational Education Council |
| SEN | Scottish Enterprise National |
| SQA | Scottish Qualifications Authority |
| SQMS | Scottish Quality Management System |
| SVQ | Scottish Vocational Qualification |
| VQ | Vocational Qualifications |

CHAPTER 1 - INTRODUCTION: TRAINING TARGETS, THE ROLE OF PRIVATE TRAINING PROVIDERS AND THE SCOPE OF THE PRESENT RESEARCH

1.1 EDUCATION AND TRAINING TARGETS

The purpose of Scotland's Education and Training Targets is to enhance the capability and contribution of all the people of Scotland, to improve their living standard, and quality of life. We can only achieve this if we can be competitive, by creating and maintaining a world class skill base.

Professor John Ward, Chairman, Advisory Scottish Council for Education and Training Targets, 1997

Since 1989, when the National Education and Training Targets were first promoted (Confederation of British Industry, 1989:19), the British Government has endorsed them and used them to underpin its strategy for education and training. Despite apparent improvements in the UK skills base during the 1980s (CBI, 1989:17) it was still felt that Britain was lagging behind its key international competitors. As we will see in Chapter 3 various educational, economic and political commentators wrote passionately about the threat to Britain's standard of living if skills shortages were not addressed urgently. They recognised that people had become the key to competitiveness and that:

Skills levels will only be improved if individuals are helped and motivated to make fullest use of their talents. Their horizons need to be broadened and their expectations of themselves raised. Yet the current vocational education and training system has never put individuals first - the needs of providers have had higher priority. (CBI, 1989:21).

The Task Force that reported to the CBI on the state of skills in the British workforce was particularly impressed by the ambitious targets for education and training being set by other countries, especially for young people. For example, South Korea was aiming by the end of the century for 80% of its young people to reach university standard and France had set a similar target of 75%. At that time the corresponding figure in the UK was 30%. (CBI, 1989:18).

In response to these concerns the British Education and Training Targets were created with a set of measures to be achieved by the year 2000 (see Appendix 1). Since then, the Targets have been revised upwards to make them more challenging and are monitored annually to check on progress. In Scotland, the establishment and monitoring of the Targets was the responsibility of the Advisory Council for Education and Training Targets (ASCETT).

The Targets which relate to the acquisition of qualifications are set in the context of National Vocational Qualifications (NVQs) and Scottish Vocational Qualifications (SVQs). Targets 2 and 3 which relate to acquisition of SVQs at level III are proving particularly hard to achieve and are explored as part of this research. These are:

- Target 2: by age 21, 70% of young people to attain SVQ Level III
- Target 3: 60% of the workforce to attain SVQ Level III

By comparison with those Targets which relate to SVQ Level III, the Target which relates to SVQ Level II looks achievable:

- Target 1: by age 19, 85% of young people to attain SVQ Level II

The inter-relationship between the Targets raises the issue of the transition for learners from Level II to Level III and disincentives which may exist which discourage them from continuing with their education and training. ASCETT's 1997 Annual Report is more optimistic in its forecast than that of the previous year. In 1996 the percentage of young people with Level III qualifications was 54%. If the (comparatively high) growth rate of 4% in Target 2 can be maintained then the aim of 70% by the year 2000 is achievable. However, for Target 3, progress towards which increased by 2% during 1996/7, this is the first sign of progress after the slowing of achievement 12 months previously. In 1996 the percentage of the workforce with Level III qualifications was 49%. Progress at 2% is still 0.75% per annum slower than that required to have 60% of the workforce attaining SVQ Level III by the year 2000. (ASCETT, 1997:5).

These national figures mask regional differences within Scotland. ASCETT's Annual Report (1997:14) shows that the predominantly rural areas of Highland Region, Orkney, Shetland and the Western Isles all had between 44% and 54% of their 21 year olds qualified to Level III. By comparison, many of the urban areas of the central belt of Scotland (where the majority of the population lives), particularly Lanarkshire, Glasgow, Ayrshire and Lothian are struggling to keep above 30% and

are therefore having an adverse affect on Scotland's national statistics. What appears to be making the difference is the success rate in attainment of vocational qualifications. Whilst there are only minor differences between regions in the success rate of young people gaining academic qualifications at level III, their success rate in attaining comparable vocational qualifications varies from between 9% (Lothian) to 31% (Western Isles). This could suggest that potential for meeting the Targets lies in increasing participation in vocational training in specific regions rather than in increasing participation in academic studies. Further statistics in the 1997 Annual Report show that whilst the success rates between boys and girls varies very little, boys are more likely to have reached level III via a vocational route than are girls (1997:13).

Differences in level of achievement between the sexes is more of an issue amongst the total workforce with 10% more men than women achieving level III. The proportion of people qualified to level III peaks in the 22-29 age group and thereafter decreases with age. The report concludes that this is partly due to changes over time in the education and training system, which have widened and increased participation. Older people receive less training at work than younger age groups and also have higher unemployment rates, so reducing the opportunities for training. This implies that attainment rates will, to some extent, automatically increase over time as the less qualified older workers reach retirement age and are replaced by younger workers who have had greater access to education and training opportunities.

There are wide variations in progress towards Target 3 (60% of the workforce to level III) between different industrial sectors. For example, three sectors: public administration, energy/water and banking/insurance are all within 1% or less of meeting the Target. On the other hand, transport, distribution and agriculture are all more than 20% below the Target for the year 2000 and therefore are unlikely to meet it and are having a negative impact on the national statistics (ASCETT, 1997: 21).

1.2 PRIVATE TRAINING PROVIDERS

The issue of private training providers (i.e. organisations which have set up to provide a profit-making service to corporate and individual clients who seek job-specific training) in Scotland has been a vexed one, ever since they began to apply for accreditation to offer nationally-recognised qualifications in the early 1980s and therefore came to be perceived by FE colleges as serious competitors. However, little is known about them as a collective force in the education and training market. Myers (1971:81-84), in one of the few (albeit rather dated) studies which has been done on private training providers, suggests that in the USA at the time of writing, 'there were 7,000 private schools offering vocational training to about 1.5 million students' and points to a gap in our knowledge about this neglected area of private sector training. He proposes that 'this whole area deserves wider exploration' perhaps because of the many negative comments made about these schools by employers and personnel experts in the survey on which he is reporting.

These criticisms centred on the quality of the training, the instructors, the obsolete equipment and the performance of their graduates in subsequent employment.

Over twenty years later in Geoffrey Melling's paper for the Paul Hamlyn Foundation National Commission on Education (1994:543), further warnings are issued from across the Atlantic:

In America there are 7,500 or so private colleges, 6,500 of which are 'proprietary' (or 'for-profit') schools, offering mainly vocational courses. These establishments comprised the fastest growing segment of post-secondary education in the 1980s despite their charging higher fees than the community (or 'non-profit') colleges. They operate in three main areas: business, paramedical and personal care, and technology (including computing) - and they are predominantly monotechnic..... A few of them offer associate degrees but most are content to teach skills for the local labour market in as fast a time as possible. Students at the 'proprietary' schools are eligible for federal loans and grants in the same way as those who enroll at public institutions if their colleges are accredited to offer courses by a federally-recognised agency..... Though private colleges are not a phenomenon to which we pay much attention in the UK at present, we could find them appearing in greater numbers if post-secondary funding were switched to follow the student. They would inevitably compete in those disciplines with high demand and low capital requirements, leaving the FE colleges to deal with less profitable areas.

Melling's description is one which we can recognise in today's education and training market in the UK and has come about as a result of Government's intention to make the public education sector more like the private business sector, with more overt competition between institutions for a limited number of students, in the expectation that those institutions which are less efficient or less effective than their neighbours will not succeed, and so will either have to improve or close

(Gray, 1991:26). Institutions which prove most popular with parents, employers and students, and which produce the best results, are expected to survive and set standards (McGinty & Fish, 1993:116).

Private training providers have been regarded very warily, even to the extent of industrial action against the Scottish Vocational Education Council (SCOTVEC) by FE college staff in 1984/5 for accrediting them to offer nationally-recognised qualifications. Subsequent statistical data produced by SCOTVEC and the Scottish Office suggests that fears that private training providers would undermine the predominant position of FE colleges in the delivery of vocational training were largely unwarranted as the FE colleges themselves experienced substantial growth during the late 1980s and 1990s. However, Neil and Mullin's study (1996:40-56) shows that there is more widespread use of private training providers by employers in Scotland than is sometimes imagined. This study included in its terms of reference an exploration of the 'current patterns of provision (of FE colleges) and key opportunities and threats within the domestic business sector'. It involved gathering data by means of a postal questionnaire from the Scottish FE colleges and interviews with more than 30 senior college staff. The study highlighted the fact that much of the work for which private training providers are contracted is consultancy (e.g. training needs analyses or project management) but a significant proportion (62%) is for training in basic and advanced technical skills. The majority of the companies surveyed, when comparing private training

providers with FE colleges believed that the private training providers offered a better service in terms of:

- the range of services
- the quality of service
- the relevance of training to company needs.

The majority also believed that private training providers:

- provide better consultancy services
- have better communications with their clients
- market themselves better.

As this report was produced for the Association of Scottish Colleges there is no reason to assume that it is biased towards private training providers; rather it is pointing out where the FE colleges could benefit from adopting some of their approaches. Neil and Mullen conclude that:

..... these findings seem to indicate that companies perceive the colleges to be inexpensive providers of training courses which will lead to a recognised qualification but that the more customised requirements of companies, and particularly in terms of consultancy support and effectively tailored training, are best done by the private sector providers despite the fact that they are more expensive..... overall, all types of companies make more use of private training providers than colleges..... there is much more widespread use of private training providers than is sometimes imagined: 75% of companies surveyed have used them compared to 64% who have used colleges. (1996:45).

This suggests that private training providers now attract a substantial share of the training market, particularly when viewed alongside the fact that by the mid-1990s 77% of employers who offered training had used outside providers over the last year. (DfEE, 1995(b):5). Outside providers include private training organisations, FE colleges and equipment suppliers. However, it cannot be construed that fierce competition therefore exists between private training providers and FE colleges. Competition is reduced for two reasons. Firstly, providers tend to operate within clearly defined niches and secondly, they compete on the basis of quality, relevance, flexibility and convenience of their product to a greater extent than on its price. In fact, competition to attract clients is more clearly felt between providers of the same type across neighbouring areas and regions. (Training Agency, 1989(a):64-65).

It would therefore be wrong to assume that private training providers are competing across the range of training provision which FE colleges can offer. The Training Agency (1989(a):56-59) in its study of funding, activity and attitudes pointed out that most training providers concentrated on delivering short courses or continuing provision to adults, and saw their main market as company-based. Many operated in specialist areas, or market niches, focused on a particular occupation or industrial sector. The development of Training Agency programmes for adults and young people had also had an impact in widening the market for such providers to include more initial provision and retraining. There was evidence that a number of new providers had

sprung up to tap these new markets, and some had subsequently attempted to diversify into other areas such as selling courses of skills training direct to employers. Government funds, usually channelled through the Training Agency, made up an important proportion of private training providers' incomes. These funds were mainly in the form of non-recurrent grants in return for the delivery of specific forms of provision to particular client groups.

The prevailing pattern which emerged from this study in 1989, was one of different provider types catering to discrete markets, and within those markets, individual providers specialising in particular areas of provision. This tendency for providers to operate in niches was reflected in the attitudes of those employers who used external training providers. Those employers perceived certain provider types as offering excellence in particular types of training, in certain facilities, and in particular methods of delivery. Private providers were associated with a variety of provision, including management and supervisory training, new technology training, job-specific skills and the use of machinery and equipment. Such perceptions were influential in guiding employers' purchasing decisions, thus reinforcing the tendency for providers to operate in particular niches. The field research described in Chapters 4-6 of this dissertation will seek to show whether this pattern of provision is still prevalent.

Other fundamental differences exist between FE colleges and private training providers:

The education tradition is that the college has wider responsibilities for its students than a training agency. It should give consideration to community needs as well as those of commerce and industry and it should promote personal development as well as the acquisition of employment-related competencies. (McGinty & Fish, 1993: 9-12)

They go on to warn that these educational objectives may be less easy for FE colleges to achieve when they are competing for students with private training providers whose prime concerns are the acquisition of discrete skills and competencies within a defined time-scale with little responsibility for continuity in personal development or learning.

The more recent, scanty references to private training providers suggest that they have now become an accepted element in vocational education and training provision in the UK. Layard (1992: 13) declares that it would be wrong to force vocational education and training into public institutions when it could be better done by private ones. He proposes that, subject to all courses being approved, private providers should be treated just like public providers. Their key role, particularly in the training of adults is highlighted in the National Institute for Adult and Continuing Education (1993:38) where they are described as 'significant providers of education and training' whose contribution to the achievement of the Targets should not be ignored. It is acknowledged that whilst they are likely to respond only to attractive market opportunities and incentives, they have the potential to assist in meeting lifelong learning targets and their contribution should be 'mapped and considered in the development of strategic plans'.

Certainly the fact that they had a part to play was acknowledged by the National Training Task Force (1992) when it addressed a section of its promotional material 'The Targets and You' at them. Private providers were urged to perceive the Targets as a challenge and an opportunity to expand their training provision. Their role in meeting the YT guarantee was also acknowledged by Unwin Richardson et al, 1993:215 albeit as a place to 'house young people until placements are found with employers'.

It would appear then that the presence and role of private training providers is beginning to be acknowledged and debated. Recognition is growing that they have a role to play in vocational education and training which supplements rather than, as was initially thought, competes with that of the FE colleges. That being the case it is important to find out more precisely what their contribution might be.

1.3 THE AIM OF THE RESEARCH

Section 1.1 above outlines some of the difficulties which Scotland is experiencing in making satisfactory progress towards those Targets which are concerned with Level III qualifications. In particular, it points to the shortfall in attainment of vocational qualifications in some regions and some industries, and the lack of qualified workers aged over 30.

At the same time, there exists in Scotland a vigorous private training sector apparently responsive to market opportunities, whose

contribution to achievement of the Targets is recognised, but whose potential is unknown and may be under-exploited. Furthermore, this sector operates in those very markets which are proving most resistant to achievement of the Targets: vocational qualifications; adult attainment; urban areas; and service sectors, transport and distribution.

The overall aim of this dissertation therefore, is to:

- investigate the extent to which private training organisations are actively offering certificated Level III training
- identify obstacles to the successful implementation of good quality level III training
- draw conclusions on the current position and operation of private training providers in Scotland vis-a-vis national and regional policies and commercial opportunities
- make recommendations on practice relating to the private training organisation resource in order to support its development in a controlled manner compatible with quality requirements.

As has been seen, private training providers serve a small but critical section of the market and an analysis of their experience in attracting and keeping Level III learners should provide information of use in other training contexts and provide recommendations which will inform policy-

makers struggling with the lack of sufficient progress towards Targets 2 and 3.

Very little research work has been done on the role of private training providers and their impact on the training market. In exploring the above issues it is intended that information will be generated on the organisations themselves which will identify the distinct role which they play and any unique contributions which they can make towards training provision in Scotland.

CHAPTER 2 - METHOD OF INQUIRY

2.1 PURPOSE

The purpose of this chapter is to identify the main research categories and methodologies available and to discuss their dominant features and applicability to different situations. The needs of this research are then matched against the methodologies and a decision made on the most appropriate way in which to proceed.

2.2 TYPES OF RESEARCH

2.2.1 Classification

Research has been classified in a variety of ways, such as by area of academic discipline, by the type of data collection procedure or by purpose. Traditionally, however, two categories are recognised, pure and applied. But, as Phillips & Pugh propose,

..... this distinction..... is too rigid to characterise what happens in most academic disciplines where, for example, real world research generates its own theories and does not apply pure theories. (1990:45).

Bell elaborates on this by stating:

Methods are selected because they will provide the data you require to produce a complete piece of research. Decisions have to be made about which methods are best for particular purposes and then data-collecting instruments must be designed to do the job. (1991:50).

In order to look at the different methods available, a useful categorization is offered by Verma & Beard (1981:19-21) which highlights certain crucial differences between research which is orientated to the development of theory and research which is designed to solve practical problems. These are outlined below.

2.2.2 Pure/Basic Research

This type of research is typically orientated towards the development of theories by discovering singularities which may lead to broad generalisations or principles. Its roots lie in the physical sciences, and in the social sciences it has primarily been the activity of psychologists.

Verma & Beard state that:

It is true to say that the findings from such work may take some time before they are brought into prominence or become part of the general stock of knowledge. (1981:19)

2.2.3 Applied or Field Research

This type of research is concerned primarily with the application of new knowledge for the solution of day-to-day problems with the purpose of improving a process by testing theoretical constructs in actual situations. Bell et al (1984: 42) point out that:

"Since applied research is concerned mainly with establishing relationships and testing theories, it is quite rigorous in its application of the conditions of this method. To this end, therefore, it insists on studying a large number of cases establishing as much control as possible over variables, precise sampling techniques and a serious concern to generalize its

findings to comparable situations. It does not claim to contribute directly to the solution of problems."

Phillips & Pugh refer to this as 'testing-out research' in which we are trying to find the limits of previously proposed generalisations.

The amount of testing out to be done is endless and continuous, because in this way we are able to improve (by specifying, modifying, clarifying) the important, but dangerous, generalizations by which our discipline develops. (1990:45)

2.2.4 Action Research

A third category of research is now recognised, that of action research, of which there are many definitions:

....essentially it is an on-the-spot procedure designed to deal with a concrete problem located in an immediate situation. Cohen & Manion (1980: 223)

Action research investigates problems identified by practitioners, and is essentially directed towards greater understanding and improvement of practice over a period of time. Bell et al (1984: 42)

Action research is more concerned with the immediate application rather than the development of theory. It focuses on a specific problem in a particular setting... its findings are usually judged in terms of their applicability in a specific situation. (Verma & Beard 1981: 20))

It is interesting to note that an important principle of action research is that the task is not finished when the project ends. The participants should continue to review, evaluate and improve practice.

2.2.5 Positioning the Current Research

Considering sections 2.2.1 - 3 above, it seems that the most appropriate method for the research in question is applied research as it will enable us to establish the relationship of private training providers to the achievement of National Targets. Furthermore, applied research uses sampling techniques which appear appropriate for this piece of research. Thirdly, this research seeks to be able to generalise its findings by drawing conclusions from the data on the sample which it can infer are characteristic of the total population. Using these conclusions as a basis, recommendations can then be proposed for future action.

Phillips and Pugh (1990:45) identify two further types of research: exploratory research and problem-solving research. The research reported in this dissertation falls initially into the classification of exploratory research because of the lack of available information about private training providers. However, the structure which is outlined below allows for variables to be identified during the exploratory stages of desk research and interviews and for these variables then to be tested out in a survey using questionnaires. In this way generalisations may be able to be made which will contribute towards solving the

problem of insufficient progress towards achievement of Targets 2 and 3.

The research does not have a sufficiently strong 'action to change' component for it to be categorised as action research or problem-solving research, although it is to be hoped that dissemination of the key research findings and recommendations to relevant organisations might influence future policy-making.

2.3 DATA COLLECTION TECHNIQUES

2.3.1 Quantitative and Qualitative Paradigms

Cresswell considers quantitative and qualitative paradigms in detail and advises identifying a single research paradigm for the overall design of a project:

Pragmatically, to use both paradigms adequately and accurately consumes more pages than journal editors are willing to allow and extends dissertation studies beyond normal limits of size and scope. Using both paradigms in a single study can be expensive, time-consuming and lengthy. (1994: 7)

This view is now often challenged as most commentators advocate a mix of both paradigms to achieve a well-rounded piece of research.

A matching of the features of the research undertaken for this dissertation and those of the two main paradigms reveals the following. When discussing qualitative research, Cresswell (1994:146) suggests

that it is best suited to a problem which requires exploratory research, i.e. the context is important, the variables are unknown and a theory base for the study may be lacking. The problem which this research is investigating does appear to have these features. However, Miles & Huberman (1994: 6) and Tuckman (1988: 389) stress that qualitative research usually involves observation, close proximity to a local setting for a sustained period of time and requires direct contact with and closeness to the people, situation and phenomenon under study. This does not appear to match any approach that would be required to generate information about the national potential of private training providers nor does it seem feasible given the time and access constraints on the researcher. In addition, Bryman (1989:35) states that the features of qualitative research make it very difficult to generalise from a single case or a very small number of cases. Generalisation is precisely what was required from the results of this research in order that, if it suggests that potential for increased activity by private training providers does exist, national or regional policy can be developed to create the right climate for expansion. Cresswell (1994: 117) supports this when describing a survey design as a quantitative or numeric description of some fraction of the population which in turn enables a researcher to generalise the findings from a sample of responses to a population. Further consideration of quantitative research finds that Reaves (1992: 71) defines a variable as 'any property that, when measured in different objects under different conditions might yield different measurements'.

This research seeks to establish those variables which affect the volume of delivery of level III awards by private training organisations; if some of the variables can be established at an early stage then a quantitative approach is possible. This would tie in with Allan & Skinner (1991: 217) who, taking a less restrictive approach to quantitative research than some other writers, suggest that the objective of quantitative research may either be specified prior to the data collection or might be viewed as more exploratory, with relationships between variables being expected to reveal themselves at the analysis stage. They acknowledge the difficulty of prior specification if ideas and objectives should change during the research and a mismatch develop between the theoretical perspective and the data collected. In order to minimise the risk of a mismatch occurring, they advise that 'thorough preparatory pilot work is essential not just to test your measuring instruments, but also to make sure that you have clarified and refined your research objectives before you begin your main data collection'

Creswell (1994: 118) acknowledges that quantitative research methods entail the rigorous preparation of a framework within which data are to be collected. If this is coupled with the need to attempt to establish variables beforehand, then the most appropriate methodology for this project is that of conducting a pilot with a sample of the target population subsequent to desk research but prior to a survey. The outcomes of the pilot would then confirm the likely variables so that the content of the questionnaires for the survey could be finalised. Given the lack of known variables in the case of private training provider

performance, it is desirable to attempt to identify these prior to a survey because as Bell (1991:8-9) warns, when conducting a survey the confines of what can be found are largely determined at the outset; there is rarely any opportunity to change the direction of the research, since the structure largely determines the course of events.

The methodology for this research therefore falls into the first of the three major types of quantitative research outlined by Allan & Skinner (1991: 259-60), that of a small scale primary survey or data collection. This type of research is common, they claim, when a researcher is working alone and is responsible for planning and carrying out a study including data collection and analysis i.e. resources are limited. As a result, they state, analysis is often restricted to taking one explanatory variable at a time and keeping the sample size to less than a hundred. If initial comparisons should lead to interesting questions then frustration can arise because the data is unlikely to be extensive enough to pursue them. In terms of this research, restriction through size of sample is not an issue due to the limited number of appropriate private training providers (see Chapter 3) and, due to the need to keep the questionnaire brief and user-friendly, only those variables which appear most important will be explored through the questionnaire.

Lewis-Beck (1994: 51) points out the disadvantages of some of the data collection methods used in quantitative research. Questionnaires, for example, depend upon respondents' memories and forthrightness. Respondents must be available and willing to participate. Self-

administered questionnaires have the advantage of not requiring trained and supervised interviewers but suffer from low and differential response rates and a lack of control. Interviews take longer to carry out and mean more complex data collection, but may reduce the amount of unexplained or missing data.

Taking heed of the above warnings, it was decided that the first stage of the enquiry into private training providers should be in the form of desk research: both a literature search and a collection and analysis of data on the level and occupational sector of SVQs which private training providers were approved to offer and the volume of candidates which they were enrolling. The literature search focussed on finding relevant background information on vocational education and training policy and provision. In parallel with this, the collection and analysis of numerical data on private training providers took place. The results of this desk research are described in chapter 3. This information was used to construct questionnaires which, prior to being sent out to the total sample to be surveyed, would be piloted to confirm their appropriateness.

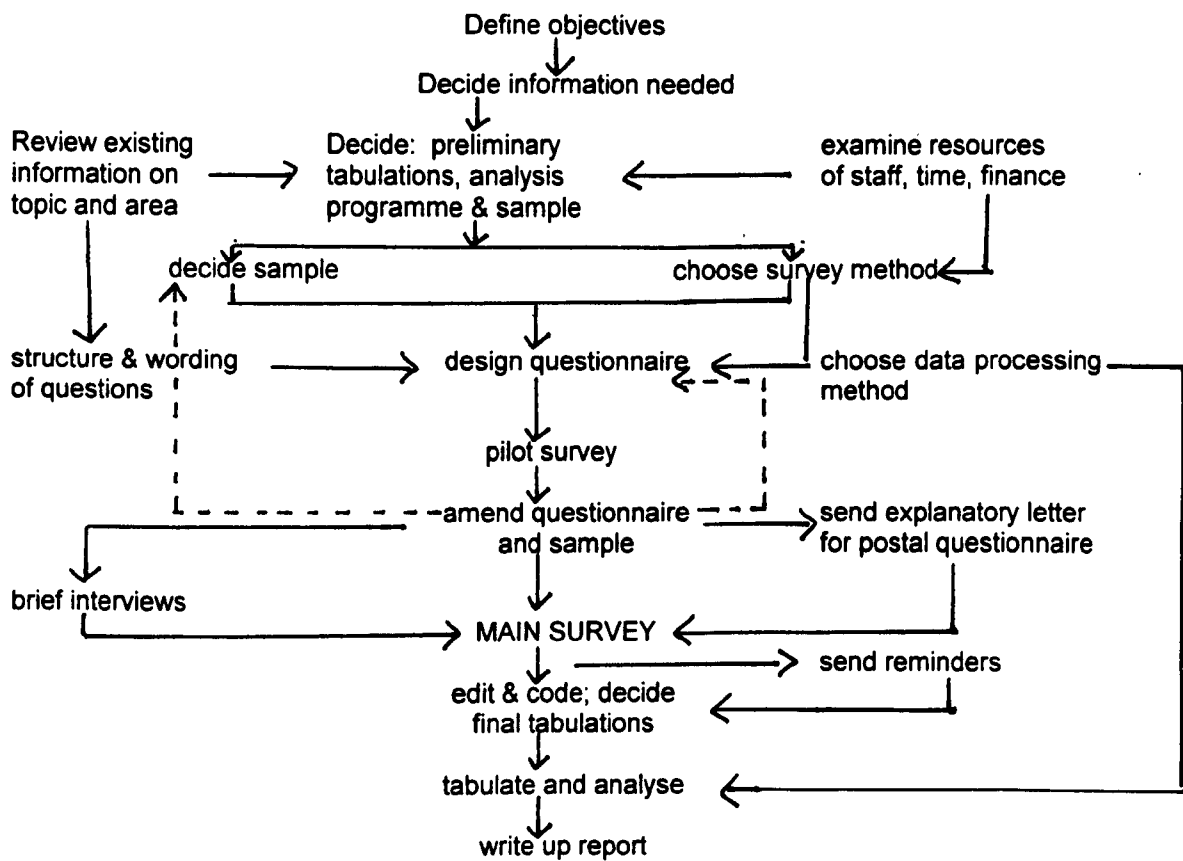
In order to bring some of the benefits of a qualitative study to the research, it was decided that, subsequent to the completed questionnaires being received, interviews would be requested with a small number of the respondents as well as with relevant national and regional agencies. This would allow any interesting leads to be followed up, clarification to be sought, statements to be confirmed and more in-

depth information gained. Six interviews were conducted with private training providers representative of the views expressed in the responses to the questionnaire; these are discussed in Chapter 5. The interviews with national and regional agencies are discussed in Chapter 6.

In this way, the three data collection techniques of desk research, questionnaires and interviews were combined and then enhanced by a workshop on the findings of this field research. Cohen & Manion (1989: 95) illustrate how this can be carried out (see Fig 2.1). Whilst giving very useful pointers, the flowchart required adaptation for the purpose of the survey undertaken for this dissertation. Generally these amendments, such as the exclusion of the instruction to brief interviewers, result from the size of the project, the limited resources available and the need for this to be administered by post.

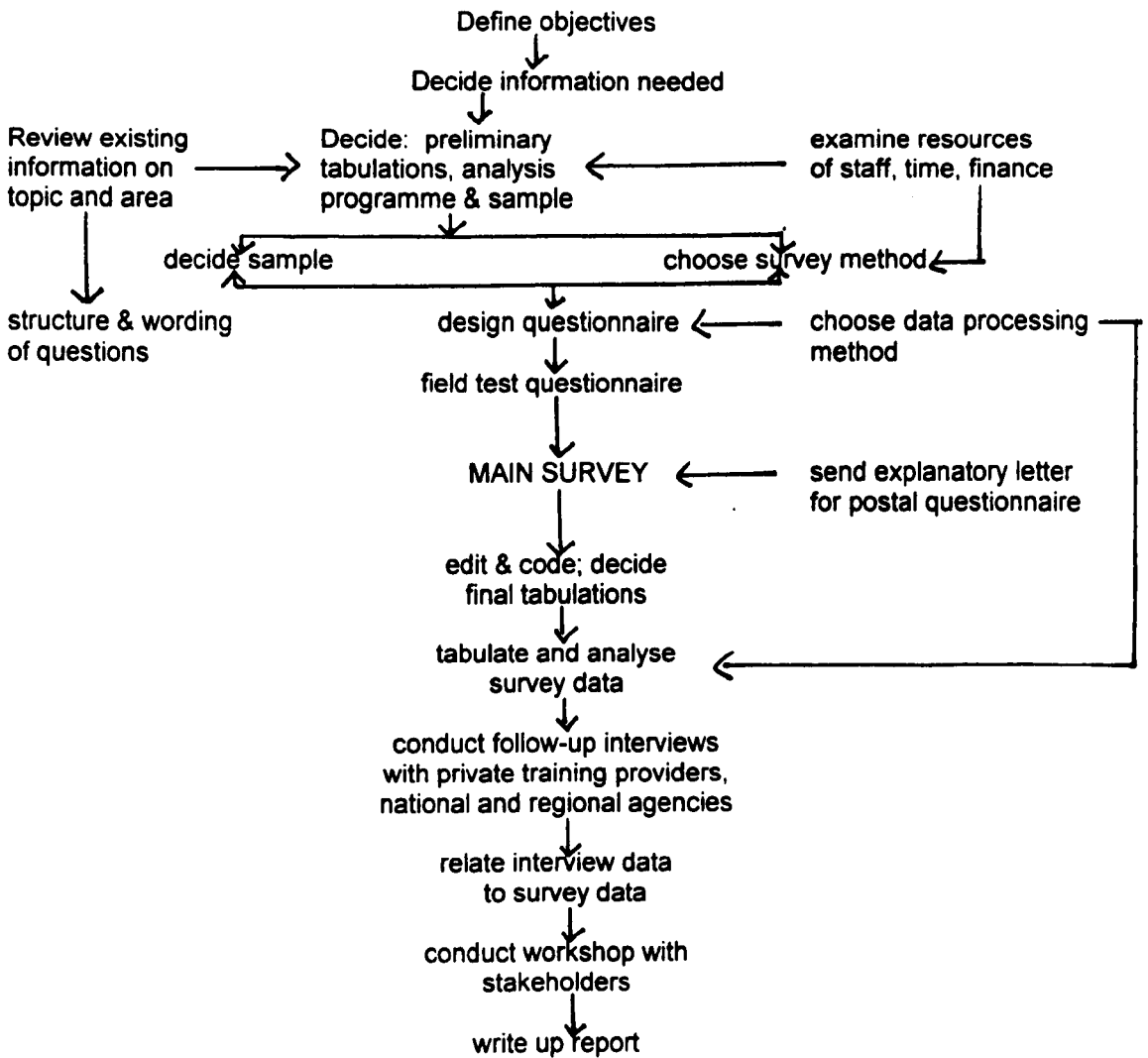
Cohen & Manion's flowchart was therefore adapted for the purposes of this research and is illustrated in Fig 2.2. The remainder of this chapter will expand upon the main tasks in the flowchart as they related to the generation and analysis of data.

Fig 2.1: Methodology Flowchart



Source: Cohen & Manion (1989: 98)

Fig 2.2: Adapted Flowchart



Source: Cohen & Manion (1989: 98)

2.3.2 Documentary Evidence

Phillips & Pugh define the need for documentary evidence thus:

Remember that you are not doing a literature review for its own sake; you are doing it in order to demonstrate that you have a fully professional grasp of the background theory to your subject. (1990:53)

In support of this, Bell et al remind the reader that,

Whatever the size of the task the same meticulous planning and attention to detail needs to be adopted in conducting a literature research. (1984:134)

Acting on the advice given above, a variety of databases were accessed including those of The National Library of Scotland, the Scottish Qualifications Authority Manchester Metropolitan University, the Institute of Personnel and Development and the *Times Educational Supplements*. This uncovered very little material which directly addressed the question of the part played by private training providers towards achievement of the National Targets. Such information as was uncovered is included in chapter 1. This position confirmed the need to conduct research into this issue, building upon the related information contained in the databases. The results of this desk search are given

in Chapter 3, highlighting topics which merited further investigation in the survey.

2.3.3 Questionnaire Design

Advice on designing the questionnaires was taken from Berdie, Anderson & Niebuhr. Their general recommendations were:

when designing a questionnaire, always consider the people who will be asked to respond. Completing a questionnaire is an imposition. If one approaches questionnaire designing with this in mind, the finished product will be an interesting form that can be efficiently completed. Format considerations make a great difference in the final product. Poorly constructed formats influence not only response rates, but also the quality of responses obtained. (1986: 23)

Members of the target group for this questionnaire (see section 2.3.4) held senior positions in their training organisations, were largely unknown to the researcher and, quite possibly, would have been approached to participate in previous surveys. Brevity and ease of completion were therefore of particular importance and so the number of questions was restricted. In line with the flowchart given in Table 2.2, the questions in the questionnaire arose as a result of the literature review and sought to generate data on issues which emerged as important during that review. Built into the questionnaire was the opportunity to expand upon a basic response in order to allow the respondents the opportunity to break free from the inevitable restrictions which a questionnaire places upon them. The questionnaires were piloted in the first instance with a representative

sample of the total respondents and the responses used to assess the questionnaire and confirm the validity of the variables being tested and any ambiguities or inappropriate design features. The percentage of responses to the pilot also gave an indication of the number which might be expected from the total survey.

2.3.4 Identifying the Target Population

The survey was targeted at the owners/managers of private training providers which are approved to offer SVQs. It was considered that they would be best-placed to respond to questions on the policy and practice of their organisations in terms of offering training programmes. Furthermore it was considered that they would be the most likely to have a view on the environment in which their organisations operated and to have undertaken forward planning. Whilst it is recognised that these organisations do not cover all of the vocational qualifications deemed to be Level III or equivalent, it does in Scotland cover the vast majority: over 95% according to the Statistics Office of the Scottish Qualifications Authority (SQA). SCOTVEC's Statistical Summary 1995/6 shows that SVQ enrolments at centres other than FE colleges and HE institutions accounted for over 50% of all enrolments. Unfortunately for the purposes of this dissertation, the Summary does not break down the 'other' centres category into its constituent parts and therefore it is impossible to tell what proportion of the 16,900 SVQ enrolments from 'other' centres in 1995/6 were from private training providers. A substantial proportion of them will have been from

employers and from organisations such as local authorities, trade associations and chambers of commerce who are not delivering training for profit. It is therefore not possible to tell what number of SVQ enrolments have been generated by private training providers in recent years.

However, the SQA database could be used to identify the target group for the questionnaire and the detail of how this was done is described as part of the desk research and detailed in the following chapter. In the process of identifying the target group, three interesting facts came to light:

1. The percentage of SVQ enrolments from 'other' centres is growing faster than those from FE colleges and HE institutions (57% in 1995/6).
2. The completion rate for level III SVQ enrolments is extremely low: only 15% in 1995/6.
3. In 1995/96 the number of level III SVQ enrolments was 34% of the number of level II SVQ enrolments. (For Target 2 to be achieved, 82% of level II candidates would need to successfully proceed to level III.)

These issues were all considered worthy of consideration for further enquiry through the questionnaire, the analysis of which is discussed in Chapter 4.

2.3.5 Follow-up Interviews

The aim of follow-up interviews with selected private training providers (Chapter 5) was to explore issues arising from the data generated by the responses to the questionnaire and to allow discussion of these issues to a depth which a postal survey cannot reach. Bell argues the case for interviews:

Freedom to allow the respondent to talk about what is of central significance to him or her rather than to the interviewer is clearly important, but some loose structure to ensure all topics which are considered crucial to the study are covered does eliminate some of the problems of entirely unstructured interviews. The guided or focussed interview fulfils these requirements. No questionnaire or checklist is used, but a framework is established by selecting topics around which the interview is guided. (1991: 72)

A framework was therefore prepared subsequent to the questionnaire data being analysed; this focussed on the major issues highlighted by the questionnaire, any data which appeared to be ambiguous or contradictory and areas in which action might be taken. This framework is described in Chapter 5. The follow up interviews were able to redress some of the disadvantages of using a questionnaire:

A major advantage of the interview is its adaptability. A skilful interviewer can follow up ideas, probe responses and investigate motives and feelings, which the questionnaire can never do. The way in which a response is made (the tone of voice, facial

expression, hesitation etc.) can provide information that a written response would conceal. Questionnaire responses have to be taken at face value but a response in an interview can be developed and clarified." (Bell, 1991:70)

In contrast, however, the pitfalls of bias and straightjacket interviews are pointed out by Wragg with the claim that,

Interviewing is the oldest and yet sometimes the most ill-used technique in the world. (1980:3)

As a technique it is subject to a variety of pitfalls (Bell et al, 1984:77-78) including interviewer bias, sample bias, race bias, respondent bias and strait-jacket interviews where the respondents are overly constrained. Being aware of these potential pitfalls helps the researcher to take steps to avoid them.

The follow-up interviews were used therefore to complement and supplement the data generated by the questionnaires with the constraints of each being taken into account.

2.3.6 Workshop

Following the interviews, and as a supplement to them, a workshop was held to disseminate the results of the field research and to gather views on them. The workshop was part of a one-day seminar described in Appendix 10. Eleven of the seminar participants opted to attend the workshop and they represented Local Enterprise Companies, private training providers, a college, a Business Enterprise Trust and the

voluntary sector. The workshop consisted of an initial presentation of the findings of the field research, followed by discussion of specific topics. These topics are given in Appendix 11 and the feedback which was generated is reported in Chapters 4-6, as appropriate.

The workshop was timed to take place between the conducting of the field research and the drawing up of the final conclusions and recommendations. Much of the discussion confirmed the research findings and some additional suggestions arose.

2.4 SUMMARY

In summary, the flowchart in Table 2.2 was followed and the variety of data generated by the three kinds of data collection techniques plus the workshop allowed a comprehensive and balanced investigation to take place. Topics to be explored and the target group were chosen with care so that the resulting data would be of maximum use to practitioners. The data was tabulated and analysed so that conclusions could be drawn and recommendations made. The results of putting these plans into operation are outlined in the following chapters.

CHAPTER 3 - THE 'SKILLS REVOLUTION' - A REVIEW OF THE LITERATURE AND ANALYSIS OF THE SCOTTISH QUALIFICATIONS AUTHORITY DATABASE ON PRIVATE TRAINING PROVIDERS

3.1 PURPOSE

This chapter seeks to explore the current training environment within the UK, but more particularly within Scotland. It shows how vocational education and training is perceived by politicians and others concerned with economic development and what they hope to gain through developing a more highly-skilled workforce. It explains the recent historic background which has led to the increase in private training providers and the pressures which have led to the establishment of National Targets. By describing this environment, this chapter expands on the outline of the research topic described in Chapter One, giving more depth and breadth, and seeks issues which can be usefully explored within the later field research.

3.2 THE UK SKILLS BASE

Individuals are now the only source of sustainable competitive advantage. Efforts must be focused on mobilising their commitment and encouraging self-development and lifetime learning." (Cassels, 1990: 48)

3.2.1 The Need for a Skilled Workforce

The above sentiments are ones which are echoed time and again in the recent literature on the economic impact of and justification for vocational education and training. Whilst it is often hard at a micro level to show the link between employers' investment in training and the return they get in the form of increased productivity and quality, there seems to be no doubt in the minds of industrialists (Sturm, 1993), politicians and academics that, at a national level, increasing Britain's participation rates in vocational education and training is one of the major weapons in our fight to remain internationally competitive. The CBI (1991:8) states that its members believe that 'the primary source of competitive advantage lies in investing in people' and that 'the success of two of the world's leading economies - Japan and Germany - is in large part attributable to their skills base'. Similarly:

..... one thing is clear; increasing skill and knowledge levels are required if the UK economy is to retain, and improve on, its competitive position. The introduction of new technologies, increasing international competition and industrial change continue to be powerful and interlinked forces increasing the skill demands on the labour force."

(DfEE, 1996(a):6)

Williams elaborates on this need for investment in the skills base by stating that:

The labour market in this country, but also I would argue in the whole of the industrialised and industrialising world, has changed out of all recognition, with a tremendous impact on education and training. (1995:2)

She goes on to compare the labour market with an hour glass in which the route from the low-skilled workers at the bottom to the highly-skilled workers at the top is through the narrow passageway of education and training. Her premise (1995:7) is that education and training have become central to the modern economy because of the need to produce a high value-added economic outcome or else be left to compete on the grounds of price and cost against low-wage, low-standard of living economies in the developing countries. The best way to follow the former strategy (TUC, 1995:10) is by adding value to products and services through developing people at the higher skills end of the range. The CBI (1989:17) warns us that favouring lower level qualifications for traditional jobs over high level skills for newer industries 'will not lay the foundations for the numbers of adaptable, flexible and responsible employees which the nation requires'.

Put quite simply, 'the basic problem with vocational education and training in Britain is that there is too little of it' (Layard, 1992:1). Holding our own in the years ahead against international competition means that the skills and competence of people at work must be greatly raised (Cassels, 1990:27). However, it is not just a case of providing young people with education and training opportunities for the next millennium:

The vast majority of those who will be in the labour force in 2001 are there already, so many of the immediate challenges to the skills and knowledge of the UK labour force will have to be met by them. The increasing and challenging demand for skills means that most of the workforce should be regularly updating and upgrading their skills. (DfEE, 1996(a): 9)

These opinions are supported by NIACE (1993:4) where our attention is drawn to the restricted nature of Britain's learning community, and to the need to utilise a whole range of learning skills and methods if those millions of adults whose early learning experiences have left them alienated from education and training are to be brought back into the system.

These comments reflect the situation across the occupational spectrum. There is an ever-increasing need for flexible, adaptable and creative employees to meet the challenge of technological change, intensifying global competition and more sophisticated customer demand (CBI, 1991:13). Whilst this is the case for the nation as a whole it is particularly so for the least skilled individuals. Those without skill will soon have little future and become an increasing burden on society (Layard, 1992:3). These feelings were echoed by John Banham, Director General of the CBI (Employment Institute Special Lecture Series, 1990:11) when he said '... increasingly, brain is replacing brawn, skill is supplanting muscle, individual contracts are replacing collective bargains'. As an illustration of the impact of technological change in terms of reducing the demand for unskilled labour, he states that between 1981 and 1987, unskilled employment fell by nearly 100,000 a year while in the same period the number of people employed in managerial, professional and technical jobs grew by more than 150,000 a year. So more and more people are needed to manage, design and control the new technology and to provide the

new, sophisticated services which an increasingly affluent population wants.

But it is not just the low-skilled individuals who should beware. Skilled manufacturing and skilled production workers are seeing their status in society and economy gradually eroded. Only the highly skilled, those at the 'state of the art' edge of their technologies, are doing very well (Williams, 1995:5). There is an increase in the number of these jobs but there is also an increase in the general skills content within most other jobs. In 1995, 71% of employers reported that the skills needed by their 'average' employee were increasing. This was endorsed by the employees themselves (DfEE, 1996(a):4). The same report stresses that this increase in skill demands within jobs is not restricted to specialist skills in specific jobs:

New work organisations and the introduction of new technology are leading to jobs which cut across old boundaries and demand a broad range of skills. Increased emphasis on quality, innovation and customer care is also contributing to the demand for skills. To be competitive in today's labour market individuals need vocational skills relevant to a wider range of jobs as a foundation for more specific job skills. (DfEE, 1996(a): 4)

So it is recognised by Government that whilst job specific skills remain important, with workers being expected to change jobs more frequently than in the past, these skills may have to be acquired at intervals throughout an individual's working life. Not only do we need to ensure that we increase the skill base of the workforce however, we also need to ensure that these skills are fully utilised. Studies have suggested that the UK is less efficient than some of its competitors in doing this.

Graduates are often recruited at intermediate level, and technicians at craft level, purely to cover skills gaps at lower levels. (DfEE, 1996:6).

3.2.2 Participation in Education and Training

Although the need for a highly skilled workforce may be widely acknowledged, it is individuals who must make the decision to become qualified and, in many cases, employers who must provide them with the opportunity to do so. The decline in the number of school-leavers has led to an increase in youth wages and for many young people, especially those disaffected by school, earning a wage at age 16 will often be more attractive than continued learning. Even where jobs do contain an element of training, employers who take a short-term view are more likely to concentrate on narrow, job-specific training rather than the broader outcomes required in the longer term. Furthermore, there is little evidence that training aimed at the adult workforce will have a significant impact on skills shortages which are impacting on business efficiency. (CBI, 1989: 17)

However, one of the characteristics of the information revolution is that one's prospects of getting a job are clearly related to educational attainment (Williams, 1995:11). The long-term unemployed are almost completely correlated with a low level of education: those who left school at the minimum school-leaving age had, in 1989, an unemployment rate of 10%. Amongst those with some tertiary

education unemployment goes down to 2.7% and in the case of university graduates, to 2.4%.

Norman Willis, speaking as General Secretary of the TUC in 1989 (Employment Institute, 1990:46) stated that Britain needed to become either a 'superskills' economy or a low pay, low productivity society. However, the base from which such a transformation had to take place was weak. About 70% of the workforce have left school at the minimum school-leaving age and 70% of these received no subsequent systematic training and education. At that time in the UK only 15% of 18 year olds participated in higher education, compared with nearly 40% in Japan and 50% in the US. Since 1989 the issue of low participation in higher education has been addressed through an increase in the number of places and widening of access to non-traditional groups, but Britain has yet to find ways of increasing participation to the required levels in vocational education and training (Williams, 1995:12).

Taking a more in-depth look at participation rates, Richardson et al conclude that whilst:

the participation rate in all types of education and training at 16-17 appears broadly comparable with those of international competitors' the outcomes from part-time education combined with work-based training compare unfavourably with those abroad. (1995:26)

The UK training for this age-group is inclined to be at level II and below whilst, for example, in Germany a similar model involves considerably

more hours of study per week, over longer periods and leads to higher level qualifications.

Both Richardson et al (1995:26) and Williams (1995:11-12) point out that Britain has a low participation rate in education and training in the post-compulsory phase. The number of apprenticeships halved in the 15 years prior to 1992 and even when the enrolment figures for SVQ/NVQs at level III are taken into account, it is apparent that there has been a steady erosion of the vocational and technical education of the group that one day could become technicians, technologists and middle managers.

At first sight, the Employment Department Group (1992:10) figures appear to contradict Williams' statement. The Department claims that employers provide most job-related training (87%) and that such training rose rapidly in the late 1980s. Although there was subsequently some decline in that rate during the recession, since 1994 growth in training has resumed and there is evidence that it is once again at around the levels seen in the late 1980s.

However, the contradiction disappears when it is made clear that employers' training provision is disproportionately concentrated on those already in high level jobs, those already well-qualified, those in particular industries and those in the 25-49 age group. This suggests that those who have already achieved qualifications are then provided with the opportunity to achieve at an even higher level - which indeed

may be necessary for Britain's competitiveness. However, the corollary is that the under-qualified are not provided with appropriate training opportunities. Concentrating training on those who already have qualifications is clearly not an effective way to meet the target of having most people in the labour force qualified to level III (DfEE, 1996(b):11).

Despite the amount of training which employers are carrying out, 21% think there is a skills gap among their current employees (DfEE, 1995(b):3) compared to 12% in 1994. The main skills which are seen to be lacking overall are general communication skills, management skills and computer literacy. An even larger number (38%) think there is a skills gap among their 16-19 year old employees who are perceived to be lacking practical skills, personal skills, and basic literacy/numeracy, but less so computer literacy and management skills. This is despite the fact that 89% of the employers surveyed had heard of SVQ/NVQs and 45% of these offered them to their employees.

Some doubt must be cast however on the consistency and reliability of employer feedback on skills needs as these can be 'idiosyncratic narrow and focused on the short-term future'. (Evans et al, 1997: 11)

An additional worrying factor is that small businesses, where much of the economic growth of the country is predicted to take place, are less likely to fund or provide training away from the immediate work position (DfEE, 1996(b):9).

3.2.3 Skill Shortages

At the same time as skill acquisition is running at a lower rate than economic planners and others would wish, the structure of the economy is changing in such a way that employment opportunities are emerging for which there are not enough available workers with the necessary skills. There have been major shifts in occupational sectors requiring different skills and higher skills. For example, managerial, administrative and professional occupations are forecast to increase by 35% between 1991 and 2000 and to continue rising into the next century. Plant and machine operator jobs will decline by a fifth over the same period (TUC, 1995:10).

DfEE (1995(a):1-2) reports on the findings of the sixth survey in the Skills Needs in Britain series. It confirms that hard-to-fill vacancies are most common in associate professional and technical occupations and that this trend is increasing. At the time of the survey 33% of all vacancies were considered to be hard-to-fill and employers with recruitment difficulties most commonly saw the reasons for these difficulties as being a lack of suitably-skilled people (60%) and/or a lack of interested people (36%). Not only are the number of jobs requiring higher level skills increasing but, as mentioned earlier, employers think that the level of skills needed by the average employee is increasing (DfEE, 1995(a):3). They consider this to be due to changes in work processes and technology, in work practices and in order to keep ahead of the competition.

This is confirmed by Finegold et al (1993:56) who suggest that employers' skill demands for the average worker have been lower than in rival industrial nations and that, as a result, 'British companies consistently provide poorer quality goods or services and attain lower levels of productivity' than comparable enterprises in other European countries. The British failure is traced to forms of work organisation that rely on poorly trained managers and workers.

3.2.4 International Competition

A preoccupation with foreign competition is evident in the various analyses and texts concerned with availability and take-up of vocational education and training in Britain. Cassels admits that international comparisons are full of difficulties but claims that:

..... the message is clear that, even though taken on its own our performance may seem encouraging enough, we have been slipping back in time as more of the newly industrialising countries, especially perhaps those on the Pacific rim, make an impact on world trade. (1990:13)

The usefulness of the role of international comparisons is queried and confirmed by OECD (1996:24). The OECD has led a large effort to improve the international comparative knowledge base of education. The aim has been to establish a set of international indicators that could be used for analytical and evaluative purposes rather than setting international norms for student achievement or job-relevant skills. The indicators are meant to be used as a tool for the validation of national

standards. However, the periodic assessments of student performance which are now common in many OECD countries are widely reported and used as benchmarks for performance. The information is used to judge whether the levels of performance are adequate, to identify specific aspects of students, school or system failure and to promote systemic reform and improvement. It is just such international comparisons which have led to the concerns which are expressed in the following pages.

It appears (CBI, 1991:9) that the UK's competitors have been facing up to the challenge of investing in people and have been setting targets for what needs to be done. At the time of this CBI report, the UK, despite being on an upward trend, had the lowest proportion of 17 year olds in education and fewer qualified managers, engineers and other key workers than its major competitors. 45% of the total workforce had no qualifications of GCSE equivalent. Writing at a similar time, the Employment Institute claimed that Britain was under-skilled and under-trained:

..... Germany has nearly eight times and France over five times as many craft engineers qualifying. France has ten times more workers in the retail sector with vocational qualifications than Britain. Similarly in the similar sized German and British clothing industries, 6% of German clothing workers achieved vocational qualifications in 1986 against 0.5% in Britain. (1990:46)

The Institute also quotes Handy (1987) to show that these differences are not limited to employees. He shows that Britain's managers are similarly under-qualified. In 1986 only 20% had degrees or professional

qualifications, compared with over 60% in Germany and 85% in the US. He points out that an untrained manager is unlikely to give a positive lead on training to his or her staff. It is these very negative indicators which the National Education and Training Targets have been set up to address.

The deployment of higher skill levels in other countries of Western Europe leads to quite different systems of work, involving much greater productivity, making it possible to get a better economic return from investing in more sophisticated capital equipment. Layard observes that:

At all levels from top managers to porters, workers on the continent tend to have a more analytic approach to their work. By contrast, Britain seems trapped in a low skills and, increasingly, low-tech equilibrium. (1994: 3)

Richardson et al (1995:26) suggest that one of the factors contributing to this low skills level in comparison with international competitors is 'the low volume of tertiary provision up to the age of 24 and outside the university sector'. They found that the fall in participation in education and training after the age of 17 which characterises British youth is not found in France, Germany and the USA. That 'extended apprenticeships and large-scale participation in higher education combine to produce opportunities beyond 18'. They note that, compared with our OECD competitors, Britain has both the highest levels of youth unemployment and the highest level of economic activity in the 15-24 age group. This illustrates a preference for early entry into the labour market but, unfortunately, without adequate provision for

work-based learning. They conclude that these factors inevitably militate against the National Targets being met.

These observations are supported by Prais who states that:

The point rather is that the notion of a clearly defined qualification in a metier or Beruf - to be acquired subsequent to the completion of compulsory schooling by training, further study, and rigorous testing - is not accepted as part of the spectrum of educational ideals in Britain as on the Continent (1993:10-12)

In particular Prais points to the enormous gap between the proportion of the UK population trained to craft level in comparison with European competitors. For example, about 66% of the total workforce have qualified at these levels in Germany, the Netherlands and Switzerland, compared with about a quarter in the UK. The French proportion lies somewhere between Britain and the other countries mentioned but is rising fairly rapidly. Prais is more optimistic about the proportion of the workforce trained to technician level in comparison with our competitors (about 7%) and feels that the distinctive feature of Britain's workforce is substantially concentrated at the craft level of vocational qualifications. He estimates that a further 30% of the workforce would have to attain this level for Britain to be comparable to its major competitors. As we have seen in para.1.2 of this research, progress is being made at craft level and it is the slow growth in numbers becoming qualified to technician level which is now causing concern.

3.3 GOVERNMENT POLICIES

Responsibility for developing a coherent vocational education and training policy, especially for young people, is laid firmly at the door of central government (Cassels: 1990:48). Exchequer funding must be available to encourage the foundation skills which the nation requires. But government policy has been a series of short-run responses to what is a long-term problem (Layard: 1994:4-5). The Youth Training Scheme, which was intended to be universal, never provided for more than half of all school leavers. This was because it was perceived as being of low quality both by young people and employers.

'The inability of government policy makers in the US and UK to adopt a long-term perspective toward skills creation is largely a product of the institutional situation in which they are placed.'
(Raffe in Richardson et al: 1993:61)

The point is made that policy on vocational education and training should not be dictated by the 'short-term political demands created by the electoral cycle'. The creation of the Manpower Services Commission in 1974 is regarded as an attempt to do just that, but ultimately a failed attempt due to its politicization and subsequent abolition.

In 1990 Cassels pointed to the cause of difficulties being the fragmented responsibility for education and training between several government departments:

Provision for 16-18 year olds inescapably demands very close working between education and training, but there is need for co-operation between departments at many other points. (1990:70)

His proposed solution was for the various departments to jointly produce an annual report on progress towards achieving collective aims. But the government, agreeing that fragmentation was having a negative impact on the development of coherent policies, and wishing to tie education and training more closely to the needs of the economy, took the more radical step of merging the Department of Education with the Department of Employment and the Scottish Education Department with the Scottish Industry Department. Even a government which encouraged development of the concept of educational and training markets, still recognised the need to regulate the market at least to a minimum degree. In this climate, private training providers were able to flourish, developing market niches and apparently being treated, at least as far as government-funded programmes were concerned, on equal terms with FE colleges.

Research shows, however, (Evans et al, 1997: 12) that some intended solutions have become part of a problem and that outcome-related funding, which emphasises the benefits of cost-cutting and meeting short-term contract targets, puts pressure on training providers to reduce the quality of their provision.

Funding is recognised as an important lever for change (Kennedy, 1997: 43) and needs to be harmonised with quality and performances

measurement systems (Kennedy, 1997: 48). Both Evans et al (1997: 12) and Kennedy (1997: 48) highlight the desirability for the development of long-term partnerships; the former citing evidence that better quality training programmes are found where mutual support exists.

3.4 PRESSURES FOR CHANGE

The current pressure for raising the skills level of the working population has built up over a period of time and has come from a variety of sources.

In the late 1970s and early 1980s there was support for increased training activity, mainly for social reasons connected with the recession. Watts was highlighting the plight of young people being denied access to adulthood and therefore to financial independence, status and responsibility. He goes on to describe the emerging training provision,

.... based on broadly educational principles in the sense that the prime avowed aim is the learning acquired by the individual rather than his or her immediate economic contribution. (1983: 32)

Later, (1983:34) he points to what he describes as the main effect of unemployment: a tightening of the bonds between education and employment, not just at the level of further education but also in the higher education and adult education sectors. Far from linking education to the economic health of the nation, Watts suggests that it is

used to distract attention from the political and economic causes of unemployment and to lay the blame firmly at the door of the individual.

By the end of the 1980s, attention was being paid to the availability of skilled recruits in the labour market and the choice available to employers between training their own workers and employing workers already trained. CBI (1989:41-42) points out though that these are only two of the alternatives and that employers could still consider limiting productive output or limiting the skill requirements of production. One in four employers reported that recruitment problems were a significant incentive to increasing their training efforts and improving competitiveness was cited as an influence by 56% of those employers who were actively involved in training their staff. At this stage the need to train still did not seem to be regarded as the economic imperative which it was to become.

At the same time, the Trades Union Congress was also promoting the need for training (1989:7) and highlighting the fact that there were no longer any wholly unskilled jobs, just varying degrees of skill and that all jobs required certain core, transferable skills. Technological development and competition were mentioned as factors in the need for individuals to train. At this time the Confederation of British Industry was also reporting on vocational education and training and the concept of targets was introduced (CBI,1989:19) as a means to 'secure a more highly skilled workforce for the future and satisfy individual aspirations'. The emphasis is still on realising the potential of each individual and

meeting employers' skill needs. However, 'Towards a Skills Revolution' also speaks about creating a market in skills training which will be responsive to employers' needs and about requiring a 'quantum leap' in the education and training of young people to meet the needs of the British economy and 'to face the competition on even terms' (CBI, 1989: 17).

So by the turn of the decade the Government's attention was being brought to the fact that vocational education and training was now becoming an economic necessity rather than purely a social one and that it was necessary not just to meet the skills demands of the domestic UK market but to retain our place in global markets.

From the early to the mid-1990s the argument was taken up widely and widely preached:

..... we can predict with complete certainty, that unless we radically improve education and training in Britain we shall continually lose ground to the competition offered by other countries. We shall lose markets in high value-added goods to countries which invest deeply in the skills necessary to produce them. We shall hold our own in markets in lower value-added goods only by accepting comparatively low wage levels which enable us to compete successfully with countries where labour is cheap the improvement of education and training is not simply another national priority, to be pursued equally with others, but a leading priority.

(Cassels : 1990: 38)

In Britain there is widespread political recognition of the economic challenge we face. The Labour Party's 'Industry 2000' document, published on 6 February 1990, said: 'Either we become a low skill, low tech, inevitably low wage and low employment economy or we make the leap necessary to lead the competition for the high value-added markets of the next decades. (Finegold: 1990: 7)

This report concentrates on the economic value of learning because it is here that the UK faces the greatest challenge to maintain and improve its position. Furthermore, a soundly based and internationally competitive economy is critical to the standard of living of everyone. (CBI: 1991: 8-9)

A skills revolution in Britain is thus an economic and a social imperative. We can only escape from the low-tech equilibrium by a major investment in intellectual equipment. (Layard: 1992: 3)

The promotion of increased participation and higher achievement was seen as providing employers with the opportunity to move into high value-added product markets and recognition was given to education as a tool for economic and social change rather than a social instrument driven by economic change. (Finegold,1990: 49)

The pressure which was mounting for education and training to be seen as an investment rather than a cost continued in the mid-1990s along with consultations and developments into the reform of the education and training system to maximise its accessibility to young people and adults and to ensure that it produced people with the skills that industry would need as it entered the 21st century. When talking about the changes in the industrialised world, Williams points to two significant international economic forces:

The first of these forces is obviously globalisation; controls and limitations on the movement of goods and services, and more recently of capital, have vanished; that has been accompanied by the disappearance of national regulations, in country after country The second significant international economic focus is, the revolution of communications technology in particular information technology, which has carried with it tremendous changes in terms of the shape of the labour market. Jobs we never heard of thirty or forty years ago, in some cases not even twenty years ago, have been created. Alongside that astonishing creation of new industries, there is, of course, the destruction of huge areas of old industry, the obsolescence of many, many skills, the disappearance of most of the remnants of the first industrial revolution. (1995: 2)

By the mid-1990s the point was generally accepted that education and training now held a position of importance in the economic well-being of the country unprecedented since the 1880s and 1890s, which had rarely, if ever, been recognised before. However, whilst Government and the national agencies and federations recognised this, they had to find ways of influencing individual decision-makers, in the form of prospective trainees and employers, to engage in training activity for their own benefit, but also for the benefit of the country as a whole. These individual decision-makers are not necessarily amenable to, or convinced by economic or educational arguments although their participation is critical:

Young people who drop out without finishing upper secondary education face severe long-term risks on the job market. Although youth unemployment has fallen in some countries, a growing number of teenagers, particularly women, drop out of both the labour market and education vocational preparation that is well-supported by employers is less likely to be followed by unemployment than either general education or school-oriented vocational education. (OECD,1996: 41)

Later in the report, the OECD acknowledges that there is a demand for general skills and for high levels of general education, but at the same time there is a need for learning that is directly related to the work setting. It points out the difficulties in developing programmes which satisfy the aspirations of both young people and their prospective employers:

Employer support is likely to be strongest for vocational programmes that do not lead on to education, but such programmes may attract less support from students and parents. (1996:44)

Coupled with the difficulty of finding a way of satisfying both employers and trainees is the question of encouraging small businesses to become engaged in the training effort. Most businesses in the UK are small. Over 97% of the 3.6m UK businesses at the end of 1993 had fewer than 20 employees but between them they employed over 10 million people (DfEE, 1996(b):2). Furthermore, it is estimated that small and medium-sized businesses will be the sector in which most new jobs are created in the future as the underlying trends which led to the growth in small firms and self-employment continue. Large firms are still seeking further ways of reducing their core functions and contracting out peripheral work, often to small businesses and the self-employed. Only 30% of employees in these firms, which are often in the service sector, have tended to receive training compared with 50% of employees in larger firms. Time constraints, lack of management expertise and problems with the cost, quality and accessibility of external training have been cited as influencing factors (TUC, 1995:11). Training provision targeted on such firms needs, therefore, to be flexible enough to meet their needs, and effectively marketed to encourage greater take-up.

And so, while the pressures for change have been acknowledged nationally, they have not always been felt or sufficiently responded to at a local level, which is where action needs to happen. Skills surveys show more than one in five employers reporting a significant gap between the skills of their current employees and those they need to meet their current business objectives (DfEE, 1996(a):6). Such

deficiencies hamper attempts to improve productivity and move into new markets.

This is further reinforced in an article *Investment in skills tops Scottish agenda* (The Herald: 3.12.96 p.21) reporting on a survey of 751 Scottish businesses carried out on behalf of Scottish Enterprise. The survey is reported as showing that:

Among those Scottish businesses which have invested in the skills of their staff, more than 50% have seen improvements in product or service quality, employee motivation and customer satisfaction. However, even though most businesses consider skills investments to be important, the amount of money spent in this area reveals that in practical terms it ranks lower than investment in information technology, capital equipment and product development.

Being interviewed about the results of the survey, the same article reports the Head of Skills for Scottish Enterprise as saying that:

..... the relatively low transition from intentions to actions was most likely a reflection of many employers' belief that training providers offered only average or poor value for money..... it also suggests that training providers need to be very conscious of the need to demonstrate that their services represent real value for money.

A contributory weakness in the provision of training for young people or for adults is the lack of assurance it gives employers that it will be instrumental in providing them with employees with the skills and knowledge which they require. The need is highlighted for educational and training practitioners to develop skills of comprehension and interpretation of labour market information (ASCETT, 1996(a):16-21).

Whilst employers do not translate their good intentions into practice neither does the population at large. *The Times Educational Supplement for Scotland*, (TESS) reporting on 15 November 1996, referred to the results of a Gallup poll commissioned by the National Institute of Adult Continuing Education. The results of the poll showed that while 83% of the people in Scotland believe learning is 'very or fairly important', 55% are 'very or fairly unlikely' to take up an education or training opportunity. As the TESS article reports:

'These findings reinforce the Council's own figures on the Government's national education and training targets. While there have been advances at SVQ level II, there has been virtually no progress towards the remaining targets whose deadline is just four years away Professor Ward told an ASCETT conference last week "I fear we have reached a plateau".'

3.5 THE CASE FOR TARGETS

Responding to the growing realisation that action needed to be taken to improve the skills base of the working population, in 1991 the CBI produced its report entitled 'World Class Targets'. The period to the millennium was a convenient timescale for which to create targets and the National Vocational Qualifications (NVQs) and Scottish Vocational Qualifications (SVQs), then in the early stages of development, were a convenient measuring instrument to use. Qualifications were described as:

a proxy for a learning culture which is demonstrated by able, adaptable and aware young people in education and adults in

employment who have the broader base of knowledge, skills and understanding to compete with the world's best'. The report also makes the point that the Targets are subscribed to by all of the key players. (1991:9)

This was not the first time that the CBI had raised the idea of targets (1989:19) but this time it went beyond its original proposal of targets for foundation learning by 16-19 year olds. The Targets as they were now devised (although subject to minor revisions later) declared specific numerical goals for young people and adults to be trained to N/SVQ levels II and III, as well as using the Investors in People initiative to exhort employers to become more involved in the training and development of their employees.

The Targets were not therefore an initiative or a development in their own right. Rather they provided a focus by which other initiatives could measure their progress and which could help them to clarify where their resources would be best utilised.

They also gave special interest groups a context within which to promote their case. For example:

In this paper we argue that the Targets can only be attained by radical changes in the way in which education and training in the UK is organised and financed. The Targets cannot be achieved without extending the 'learning community' far beyond those who have traditionally participated in education and training all this implies that the practical and psychological barriers to mass adult participation in education and training must now be overcome. (NIACE,1993:4)

..... some South East TECs are concerned about the way in which the Targets were delegated to them to deliver, with little consultation, little leverage and almost no resources for their

delivery the TECs have few real levers for intervention with the education sector the creation of the new Council is welcomed, but there are doubts about its role and, more particularly, the level of support that it can offer to the TECs. (Spilsbury & Everett, 1993: 1-2)

Inevitably, there have been debates over the feasibility of achieving the Targets and, conversely, whether they are sufficient in comparison with progress in other industrialised countries. Following an analysis of completion rates and progression rate Spours (1995:58) concludes that unless there is a change in curriculum policy both for the academic and the vocational tracks, 'it is difficult to see level III outcome by the Year 2000 exceeding 50%'.

Reporting in the Times Educational Supplement for Scotland of 8.11.96 (*Significant gap hits skills targets*, p.3) Neil Munro held little hope of Scotland achieving the Targets by the millennium. This was in response to ASCETT's 1996 annual report which he reported showed that:

'..... targets for academic and vocational qualifications held by young people and adults remain stubbornly out of reach, particularly the level III vocational awards'.

ASCETT's Director was reported as saying that the Council did not accept that its Targets are over ambitious or unrealistic but acknowledged that research has shown that ' this gap between the 'wanting' and the 'doing' is now the central issue for educational organisations'.

Nine months later, in a front-page article entitled *Glasgow admits it will miss targets*, the same newspaper reported that:

Glasgow has become the first area of Scotland to admit publicly that it will not meet the national education and training targets by the year 2000 ... it believes the targets will not be reached until 2004. (TESS, 25.7.97: 1)

Any hopes that a new Government might let underachieving regions off the hook by doing away with the notion of Targets, was forcefully quashed by the then Shadow Scottish Secretary, George Robertson, in a keynote speech on training delivered to industrialists in Glasgow.

(TESS 7.3.97: 1). He was reported as saying that:

Targets look good, they occasionally concentrate the mind, and real energy goes into devising a million excuses for why we never quite achieve them. I am determined, with a force I can only hint at, to meet these skills targets and that force runs so deep in me that I am simply not willing to contemplate failure.

And so the role of the Targets as a measure of training activity in the UK is a continuing and politically useful one in keeping firmly in the spotlight the need for Britain to raise the proportion of the working population trained to technician level, in raising the alarm when progress falters and in prompting remedial action in national and regional training policies and provision.

3.6 THE QUALIFICATIONS FRAMEWORK

When SVQs and NVQs, one of the measures by which we would know whether we had reached the Targets, started to be introduced in the

early 1990s, they were heralded as being something quite different from existing qualifications, based as they were, on standards identified by employer-led bodies. The training and assessment leading to these awards was to be undertaken in workplace conditions, thereby confirming a person's ability to fulfil a specific job competently. Some of the drawbacks to this approach are brought to our attention by Prais:

The danger inherent in the British approach is that the qualifications thus become too specific and do not contribute sufficiently to the stock of transferable skills: it may suit the immediate interests of employers individually to have more specific skills, but it is not necessarily in the interests of employees, who ought to prepare for a possible change of jobs; nor would it promote the required increased flexibility of the economy. (1995: 31)

In Scotland the dangers of moving wholesale to a qualifications system based entirely on industry standards were largely avoided by regarding SVQs as an addition to the qualifications framework which existed, rather than as a replacement for existing qualifications. This was particularly important for young people leaving school who were considered as still being in need of a broad-based education which continued to develop their general education in core areas, and one which did not narrow down their career options too severely. As a result, young people coming out of Scottish schools between the ages of 16 and 18 and wishing to engage in vocational education and training, may opt to join a Government-funded programme within which they will work towards an SVQ or may opt to enter an FE college where the more traditional HNC, HND or National Certificate (now called GSVQ) programmes are available to them. As a result of this choice

being available to them, it would be wrong to regard SVQ success rates as the only indicator of worthwhile vocational education and training taking place.

At the same time as SVQs were being introduced however, a trend towards more fluid status categories for young people based on the kind of qualification they attain was being detected by Burnhill & Raffe:

Some of the boundaries between education, training and employment are less clear cut than they used to be, as perhaps is the distinction between full-time and part-time statuses. This is a slow trend and we should not exaggerate its impact so far, but if it continues it will eventually undermine the assumption of exclusively, clearly defined and reasonably stable status categories. (1991: 27)

Five years later this blurring of boundaries is becoming sufficiently marked to be worthy of attention and comment by the OECD:

The process of moving from being a non-working student to being a non-studying worker takes different forms and lasts different lengths of time in various OECD countries An important characteristic of the transition process is the extent to which young people combine education and work before starting full-time employment. The fact that transition still starts before the end of secondary education in most countries even though most young people now obtain an upper secondary qualification is explained by the growing numbers who are both studying and working. Across the OECD countries for which these data are available, the principal growth has been not in apprenticeships but in participation in other forms of education and training combined with employment. In general, the proportion in apprenticeships has fallen in the countries that had reasonably large apprenticeship systems. On the other hand, the growing phenomenon of teenagers who work part-time while students has created a blurring in the school-to-work transition. (1996: 44)

The latter observations do not seem particularly pertinent to the UK, given the recent boost to apprenticeship numbers which the introduction of Modern Apprenticeships has led to. But the OECD recognises this and validates its earlier statement when it goes on to say that the:

UK bucks the trend: the proportion of apprenticeships has grown between 1984 and 1994 but the proportion (of young people) involved in other combinations of work and study has also grown. (1996: 46)

The UK education system in general has been criticised by Finegold et al for the way it divides general education from vocational education:

Britain's education system is marked by low 'staying on' rates and poor comparative performance because it is divided. Most importantly, it divides 'academic' pupils from the rest through the different institutions, different curricula, different modes of study and above all different qualifications which cater for the two groups. Our qualifications system resembles an educational obstacle course and is designed to 'weed out' the majority of pupils. We call this the 'early selection - low participation' system. (1990: 4)

Steps are being taken in Scotland as part of the reform of Higher grades to address the issue of the vocational/academic divide and, whilst it is not the subject of this research it is worth noting that SVQs are fully incorporated into the new qualifications framework which will emerge when the Higher Still development is implemented in autumn 1999. This qualifications framework is illustrated in Appendix 2.

3.7 THE SCOTTISH PERSPECTIVE

As far back as 1963, HMSCI J.S. Brunton was reporting to the Scottish Education Department on the need for the expansion of education on a broad front:

This seems to us essential, not only in the interest of the individual, both as a person and as a worker, but even more as a powerful means of assisting the development of our economy We may have appeared at times to lay great emphasis on education geared to employment; but we have done so deliberately because we are so conscious of the importance for the maintenance and the improvement, of our standard of living and for the development of our economy, of the fully adequate preparation in both schools and colleges of those who are to serve industry and commerce Those in, or entering industry and commerce will require to be properly prepared for rapidly changing circumstances through continued education and greatly diversified training. Questions of the training of young workers and of the re-training of adult workers will have to be considered along with the complementary education provided in colleges. (1963: 63-64)

At the time, this was a far-sighted view of an issue which, as we have seen earlier in this chapter, was to gather momentum during the following three decades.

In 1991, a study was undertaken by Furlong, Main and Raffe into young people's routes into and within the labour market and the benefit of both academic and vocational qualifications was commented on (1991:177-178). It appeared that while the possession of an academic award did not enhance the earnings of 19 year old males, they did have a positive effect on female earnings. Conversely, vocational qualifications had a strong effect on earnings for young males but not so evidently for young females.

By the time Surrige and Raffe reported in a 1995 briefing (pages unnumbered) on the first analyses of the four cohorts on the Scottish Young People's Survey covering the period 1985 -1993, young people had themselves decided where their best interests lay. More than ever before were staying on to fifth year of secondary school and/or entering full-time further education. Changes in the labour market and in higher education had increased the incentives to stay on and reduced the incentives to leave. As a result, the proportion of 19 year olds in full-time employment had fallen from almost 60% in 1989 to a little over 40% in 1993. Young people in the early 1990s had different expectations of education from their counterparts in the early 1960s and as Surrige and Raffe warn 'the new Higher Still courses will need to satisfy these aspirations while at the same time providing pathways into employment and occupational training.' The providers of that occupational training may well be the private training providers which are the subject of this research.

3.8 PRIVATE TRAINING PROVIDERS OFFERING SVQS

Unlike the desk research reported so far in this chapter, the desk research on private training providers offering SVQs was done using SQA's computerised database rather than one of the libraries mentioned in Chapter 2. This database exists in order to register training providers and candidates for particular qualifications or units, to track their progress and to provide the basis for certification of

successful candidates. It is therefore also a valuable source of management information of a statistical nature.

For the purposes of this research the database has been used as a source of information on private training providers offering SVQs. It is recognised that this does not cover all such organisations but it does cover the vast majority and a representative sample for the purposes of this project.

The first step to be taken was to acquire a complete listing of SQA accredited centres and to identify from this list those which could be regarded as private training providers. This was done from personal knowledge gained from over twelve years of working in the field. From the approximately 1,000 accredited centres, many of which were secondary schools, employers, FE colleges and HE institutions, 165 were identified as private training providers.

Of those 165, 53 did not offer SVQs. These organisations offered National Certificate modules which may or may not constitute part of an SVQ or GSVQ. Either way such models could not be categorised by level and deemed to contribute towards the achievement of Targets, and therefore were not suitable for investigation as part of this research.

A further eight private training providers did offer SVQs but only at level IV or above or at level I or below (e.g. Skillstart). These organisations were therefore also excluded from the survey as they have no impact

on Targets 2 and 3 nor, in particular, on the transition from level II to level III.

The remaining 103 private training organisations can be categorised in a number of ways as follows:

Table 3.2 : Categorisation by Level of SVQ Accreditation

| | |
|--|----|
| Accredited for levels I and II only | 14 |
| Accredited for level II only | 19 |
| Accreditation includes levels II and III | 49 |
| Accreditation for level III upwards | 21 |

A further analysis was done of those organisations which were accredited for both levels II and III in the same industrial sector to establish whether there was indeed a low instance of progression of learners from one level to the next. Amongst the 48 organisations mentioned above, there were 91 instances where, since the organisation offered both level II and level III in the same occupational sector, progression was possible. (Some organisations covered more than one occupational sector; others had awards at both levels II and III but not in the same sectors, therefore not allowing the opportunity for progression within that organisation). The data available was insufficient to establish the rate of progression, merely whether the opportunity for it

did or did not exist. This was gauged by establishing whether there were enrolments at each level. The following figures emerged:

Table 3.3: Enrolments at Levels II and III

| | | |
|-----------------------------|----|------|
| Enrolments at both levels | 38 | 42% |
| Enrolments at neither level | 22 | 24% |
| Enrolments at II not III | 31 | 34% |
| TOTAL | 91 | 100% |

What this shows is potentially a very low progression rate from level II to level III, at least within the same institution; it only occurring in 42% of the possible instances and even then possibly in small numbers in many of these instances. This is not conducive to the progression rate of 82% which is required for Target 2 to be met. What is also surprising is that in 58% of the centres which offered both level II and level III awards, organisations which had expended time and resources on becoming accredited for level III SVQs had no history of enrolments at that level. Given that the accreditation process would ensure that they had the necessary staffing, equipment, materials etc. this seems to be a wasted resource. Similarly, but not so critically (given the greater need to increase enrolments at level III), 24% of organisations accredited for level II SVQs had no history of enrolment. Whilst some of the organisations may have received their accreditation relatively recently, this is not the case for the majority. It would therefore be interesting to

find out why their enrolment figures are so at odds with the plans they must have had when they sought accreditation.

It should be borne in mind however, that this data was extracted from SQA's database in July 1997 and the precise picture will obviously change with time. No assumptions on enrolment figures were therefore made in the questionnaires sent to private training providers.

Table 3.4: Progress by Industrial Sector towards Target 3

| Industrial Sector | Progress of Sector to 60% Target | Number of approvals of private provider by SQA |
|--------------------------|---|---|
| Public Administration | 62% | 36 |
| Energy and Water | 59% | - |
| Banking/Insurance | 59% | 6 |
| Construction | 49% | 14 |
| Manufacturing | 44% | 4 |
| Transport | 35% | 5 |
| Distribution | 36% | 30 |
| Agriculture | 32% | 2 |
| Other Services | 47% | 122 |

The above table summarises a considerable amount of detail but clearly shows that the private training providers focus their activities on sectors where capital outlay can be kept to a minimum i.e. administration, other services (including management and training and development) and distribution. As the above table shows, there are

sectors which fall far short of reaching the 60% Target and with which the private training providers have very little involvement, such as agriculture.

Bearing in mind that Target 3 is for attainment at level III, it has to be pointed out that virtually all of the approvals to offer SVQs in Construction are for levels I and II. The areas in which there is a predominance of centres approved at levels II and III are Distribution, Administration, Customer Services and, to a lesser extent, Catering/Hospitality, Information Technology, Care, Selling and Training/Development. Organisations accredited only for level III and above cluster heavily in the two areas of Training/Development and Management.

This data then is largely in accord with sources in section 1.2 which suggested that private training providers would be likely to cluster in the service sectors which do not require large capital outlay in the form of specialised equipment and machinery. They are therefore never likely to make a contribution to meeting the Targets in sectors such as Manufacturing, Construction or Agriculture. However it would appear that they could have a role to play in improving the slow progress currently being made in the sectors of Distribution and Other Services. Furthermore, the resource that they appear to offer in training in Management, Training/Development and Customer Services could potentially contribute to meeting Targets 2 and 3 across a range of industrial sectors.

Table 3.5: Categorisation by Geographic Region

| Progress by Regions towards Target 2 | Percentage of Private Training Providers Located in these Regions |
|---|--|
| High Performing Regions | 16% |
| Middle Performing Regions | 33% |
| Poorly Performing Regions | 51% |

As might be expected, some parts of the country perform better than others when matched against the National Targets. These are the predominantly rural areas of the north and west of Scotland.

Although the number of private training providers is undoubtedly larger per head of population in the more sparsely populated high performing regions it still leaves just over 50% of private training providers in the poorly performing regions of the urban central belt of Scotland where a larger population and better public transport facilities should provide a good source of potential students. Many of the private training providers are therefore well-placed to assist in improving the slow progress towards the Targets in these highly urbanised areas.

The conclusion which emerges from this analysis of private training providers on the SQA database is that they are equipped to offer training leading to qualifications which are needed to meet Targets 2 and 3 and that many of them are located in the regions of Scotland which are particularly in need of training of that type. Furthermore, in section 1.3 we saw from Neil & Mullin's study (1996) that the services of

private training providers rather than those of FE colleges, are particularly popular with employers and therefore more likely to make them accessible to older workers - the least qualified section of the workforce.

The different patterns of accreditation which exist amongst the 103 private training organisations, suggest that although many of the questions to be asked would be common to all, there were other questions which would be relevant to those accredited for level II only, those accredited for level III only and those accredited for both. The questionnaire was therefore designed in such a way that respondents could readily identify those questions relevant to their particular situation.

3.9 QUALITY ASSURANCE

One of the issues which has always surrounded the delivery of nationally-recognised qualifications by private training providers is that of quality. Their detractors have often claimed that the quality of the training is poorer than that offered in FE colleges and the standards of assessment are lower. Supporters of private training providers, on the other hand, have pointed to the success of these organisations in reaching out to young people who have been disaffected by formal education and who feel more at ease in a less formal and more industry-orientated environment.

In order to guarantee the integrity of national training programmes and associated qualifications, it has been the responsibility of the Scottish Qualifications Authority, Scottish Enterprise and Highlands & Islands Enterprise to ensure that private training providers conform to the same requirements as those required of FE colleges and others.

To facilitate this, criteria were devised by SCOTVEC (1995:36-43) against which any training provider, private or public, would be assessed prior to receiving 'approval' to enroll candidates for a specified qualification. In this way, the physical and human resources could be checked in advance and confirmation gained that the provider could offer a quality of training and assessment which would meet the requirements of the qualification being applied for.

Similarly, further evidence was sought once assessment of candidates had taken place, in the form of external verification by SCOTVEC staff. Again, a set of criteria were devised (1996:46-49) against which external verifiers worked. On paper this represented a robust system, but the implementation of it suffered from a number of weaknesses which were identified by an unpublished, internal evaluation undertaken by SCOTVEC in 1995. These weaknesses included concern surrounding the experience and qualifications of some external verifiers, the consistency with which they operated and the infrequency of their visits. Various measures were subsequently put in place to address these weaknesses, such as higher levels of recruitment of external verifiers from industry, more frequent team meetings of external

verifiers and activities to supplement the number of external verifier visits, such as verification by post.

At the same time as SQA was attempting to strengthen its quality assurance system, Scottish Enterprise and HIE were coming under pressure from the education and training community to introduce more rigorous quality assurance measures for organisations offering training funded by Government programmes. This resulted in a collaborative effort between SQA, Scottish Enterprise, HIE and the Scottish Office to produce the Scottish Quality Management System (SQMS). This was a quality assurance process, carried out by quality auditors trained by Scottish Enterprise, certificated by SQA and deployed by the LECs with which any training provider wishing to offer Government-funded training programmes must comply. Again detailed criteria were drawn up which were an amalgam of those already devised by SQA, those required for ISO9000, those applied by Scottish Office HMIs and those used by the Investors in People initiative. Credit transfer was agreed to prevent duplication of audits, and Scotland was perceived as having developed a national, all-embracing, quality assurance mechanism which would not only guarantee quality training for young people and adults on government programmes but which could be used as a checklist of good practice to which training providers could aspire for the development of their own organisation.

3.10 CONCLUSIONS FROM THE LITERATURE REVIEW AND DATABASE ANALYSIS

The desk research points very strongly to the need for higher participation in vocational education and training for adults, but more particularly, for the 15-24 age group. It suggests that this higher participation needs to occur both in the form of preparation for employment and also in the form of re-training and up-skilling during employment. The need for this education and training to be of high quality and leading to nationally-recognised qualifications is also evident as is the need for it to address skill shortages. All of these requirements are recognised as being to the benefit of the individual and to the benefit of employers and, finally, to the benefit of the nation as a whole.

Progress towards meeting these needs is to be measured in Scotland in the form of the National Education and Training Targets which are generally expressed in the form of SVQs. SVQs are now fully incorporated into Scotland's national framework of qualifications and their delivery follows two particular trends which are now considered desirable i.e. training and assessment in the workplace; training and employment combinations.

The desk research has illustrated the dominant characteristics of private training providers and, if we superimpose these onto the picture which emerges above on the country's training needs we see that there are many instances in which they are compatible.

Firstly, private training providers are a source of vocational education and training both for young people and adults which can be used to provide more training places and thereby increase participation rates. Secondly, they appear to be particularly strong in providing training services to employers, a market where the value of continuing education and training is considered to be in particular need of promotion and is the context in which true workplace learning can occur. Finally, they operate predominantly in occupational sectors which are proving to be slow in reaching the Targets and in which it is forecast that increasing numbers of workers will be required in the future.

The literature review and database analysis therefore provides a foundation of information upon which to investigate more closely the role of private training providers and to find out whether they are indeed a source of untapped potential which it would not be in the country's interests to ignore or underestimate.

CHAPTER 4 - QUESTIONNAIRE SURVEY ADMINISTERED TO PRIVATE TRAINING PROVIDERS

4.1 QUESTIONNAIRE DESIGN AND ANALYSIS

Arising from the research reported in Chapter 3 and the decisions made on the basis of that research, a questionnaire was developed to elicit information from private training providers. The questionnaire was limited to two sides of A4, in order to encourage responses and a covering letter was attached, explaining the purpose of the research and requesting assistance. The recipients of the questionnaire have already been described in Section 2.3.4. It was not possible to distinguish between those recipients which provided training for both adults and young people and those which provided for only one or the other. Therefore the responses were analysed with both Target 2 and Target 3 in view (see Appendix 1). In order to field test the questionnaire, it was sent to 15 private training providers in the first instance, 5 of whom completed and returned it. One further uncompleted questionnaire was returned from a company which had gone into liquidation. The field test responses indicated that some minor changes were required in order to avoid misinterpretation of the questions and ambiguity in the responses. These changes, being minor, did not negate the completed questionnaires received as part of the field test, and the information contained in them has been used as part of the research. The revised questionnaire gave respondents the opportunity to elaborate on their responses to the question concerning changes to national or regional training policies which would assist in

achieving expansion. The field test also indicated that a return of around 33% might be expected from the full survey and that the variables which the questionnaire addressed were worthy of exploration.

A further 88 private training providers were then sent revised questionnaires (Appendix 4) and a covering letter (Appendix 3) assuring them of confidentiality and 31 completed and returned these. A follow-up 3 weeks later generated another 9 completed questionnaires. In total (including the field test) 103 questionnaires were sent out and 45 returned, giving a 44% response rate. In addition, a further three questionnaires were returned incomplete due, in two instances, to the businesses having changed direction and, in the third instance, to approval by SQA to offer SVQs not having been granted, but imminent. Five of the completed questionnaires and one of the incomplete questionnaires were accompanied by letters providing more detailed information. Where relevant, the content of the letters has been incorporated into the report on the analysis of the questionnaires and some of the points have provided indicators for topics to explore in the follow-up interviews. Thirty-seven of the 45 respondents (i.e. 82%), including one who had returned an incomplete questionnaire, indicated a willingness to be involved in a follow-up interview.

Prior to the analysis, summary sheets had been prepared to facilitate the collating of the data. As each of the questionnaires had been coded prior to being sent out, the respondents could be identified even if

names were illegible or compliments slips had not been attached. This made it possible, from the information which was already to hand, to check geographical location and sectors of activity of respondents, without having to use space in the questionnaire itself for such fundamental data.

Of the 45 completed questionnaires, 8 came from organisations which had been approved to offer SVQs at level II only; 8 came from organisations which had been approved to offer SVQs at level III only and 29 came from organisations which had been approved to offer SVQs at both level II and level III. Of the 37 approved to offer level II SVQs, 34 had enrolled candidates and of the 37 approved to offer level III SVQs, 33 had enrolled candidates. It was encouraging to receive such a good response from organisations actively involved at both levels and thus be in a position to comment on progression between them.

The responses were analysed to see whether they were a representative geographic sample, given the disparity in progression towards the National Targets between rural areas and the urban central belt reported in Chapter 3. Of the 45 responses, 25 were found to have come from private training providers in the central belt, 11 from rural areas and 9 from urban areas outside the central belt. It was therefore confirmed that the respondents were a representative sample of the total private training provider population.

Referring again to Chapter 3, the training providers who responded were analysed to ascertain whether they covered a representative spread of occupational sectors. Many of the centres covered a number of occupational sectors but there were only 9 instances of sectors which could not be described as service industries. Twenty of the centres offered Administration and/or Management SVQs, while 13 offered Training and Development SVQs. The other most prevalent sectors were Care (10), Customer Services (8), Building/Construction (6), Distribution/Retail (6) and Information Technology (4). This distribution accords with the scope of occupational training by private training providers described in Chapter 3.

Not all of the respondents answered all of the questions. In some cases reasons were given for omissions, and in others they were not. For example, one organisation stated that it was unable to provide historical information on numbers of enrolments prior to 1997 because the information had been archived. Several other organisations did not provide earlier enrolment data but did not explain whether that was because there had been enrolments and the data was no longer available, because there had been no enrolments due to the organisation having started to provide SVQs only recently, or for some other reason.

As a result, not all of the data given below reflects responses from all completed questionnaires and hence the number of responses will not always equal 45.

4.2 LEVEL II SVQS

The first information to be analysed was that contained in Section 1 of the questionnaire which dealt solely with level II SVQs. It showed, as outlined in the table below, that in the participating centres, the number enrolling no candidates has fallen and there has been a steady increase in those enrolling substantial numbers. By 1997, 50% of centres were enrolling over 50 candidates per year for level II SVQs and 14% of centres were enrolling over 200 candidates per year. This shows a considerable shift from the previous 4 years and is the first year in which the number of centres enrolling 50 or more candidates equals those centres enrolling fewer than 50.

Table 4.1 : Level II enrolments 1993-97

| Enrolments | 1993 | 1994 | 1995 | 1996 | 1997 |
|-------------------|-------------|-------------|-------------|-------------|-------------|
| 0 | 25 | 21 | 16 | 14 | 4 |
| 0 - 10 | 1 | 1 | 3 | 4 | 9 |
| 11 - 30 | 0 | 2 | 3 | 2 | 3 |
| 31 - 50 | 1 | 4 | 4 | 4 | 3 |
| 51 - 100 | 3 | 3 | 4 | 4 | 10 |
| 101 - 200 | 2 | 1 | 2 | 3 | 3 |
| 201+ | 0 | 1 | 1 | 2 | 5 |

The figures showing no enrolments may either indicate that centres are slow in getting started once they have been approved by SQA to offer

SVQs, or as is likely to be the case for many of the institutions, they were not approved at that time.

Those 33 centres which gave figures on active enrolment of level II candidates in 1997, estimated in total that their level II enrolments would be in excess of 2716. (Several of the centres enrolling large numbers gave a minimum rather than an exact number.) This shows that average annual enrolment figures per centre for level II are now approaching 85.

The impression given when it came to looking at the planned intakes of the centres offering level II SVQs was one of disappointment and frustration on the part of the provider. Initially, the responses of the centres which offered only level II SVQs were analysed separately from those which offered level III as well (although here we are only reporting on information relating to level II). However, there was no significant difference between the two groups of centres. Only one had exceeded its enrolment target, 17 had enrolled on target, 13 had enrolled below target and 3 had enrolled considerably below target. When asked for reasons for low enrolments 8: (over 40%) of those which responded to this question cited funding, another 6 mentioned a lack of interest by employers and employees, exacerbated by insufficient marketing of the qualifications; and 4 more mentioned that they were receiving fewer referrals than anticipated coupled with increasing competition. Two of the respondents declared that they regarded level II SVQs purely as a

fall-back option and therefore were not, presumably, unduly concerned at a lack of enrolments as it indicated successful candidates at level III.

Responses from centres only offering level III SVQs as to why they were not offering level II fell into only 2 categories. Four centres stated that they were not operating in that area i.e. they perceived their market as being level III and above. Three centres stated that VQs at level II were not available in the occupational sectors in which they operated. Indeed, later in this analysis it becomes apparent that centres which plan to increase the spread of levels at which they are operating, invariably seek to expand into the higher levels and do not seem to consider moving into the market for lower levels of SVQs.

4.3 LEVEL III SVQS

The same analysis was carried out for level III data as for level II. However the results differed in a number of respects. Although the number of centres actively enrolling candidates was similar, the pattern of enrolments showed a slower increase over the 5 years for which data was asked. The majority of centres were enrolling 30 candidates or less annually and only 2 centres were enrolling in excess of 200. Whereas at level II 50% were now enrolling over 50 candidates per year the figure was 26% for level III, i.e. only just over half as many. Thirty-two centres had enrolments, totalling 1520, thereby indicating an average of less than 48 per centre: only slightly more than half of the average number of enrolments at centres offering level II.

Table 4.2 : Level III enrolments 1993-97

| Enrolments | 1993 | 1994 | 1995 | 1996 | 1997 |
|-------------------|-------------|-------------|-------------|-------------|-------------|
| 0 | 23 | 22 | 19 | 11 | 2 |
| 1-10 | 2 | 3 | 6 | 6 | 11 |
| 11-30 | 3 | 4 | 2 | 7 | 7 |
| 31-50 | 3 | 3 | 4 | 4 | 5 |
| 51-100 | 0 | 1 | 0 | 3 | 4 |
| 101-200 | 0 | 0 | 1 | 1 | 3 |
| 201+ | 1 | 1 | 1 | 1 | 2 |

(The figures for centres enrolling 201+ candidates are skewed by the inclusion by one centre of what it refers to as 'mini-awards' which have been taken to mean clusters of SVQ units. The data has been included nevertheless as a proportion of it (undefined) is whole SVQs.

Despite the less positive figures of actual enrolments compared to level III, the picture when compared against planned intake for 1997 is much more positive. Again, separate analyses were initially done of centres offering only SVQ level III and those offering both levels II and III (but this part of the report is only on level III) and, as in this case the results were quite different, they are shown separately on the table below.

Of the 7 centres offering only SVQ level III, all had achieved their enrolment target or exceeded it. Of the centres which enrolled at both levels only just over 50% had achieved their enrolment target or exceeded it, whilst the remainder had fewer or considerably fewer

enrolments than anticipated. Indeed, the responses of the latter group bore more resemblance to the parallel responses to the same question for level II enrolments than they did to the responses of those centres offering SVQ level III only.

Table 4.3 : Level III centres meeting self-imposed targets

| Enrolments compared to planned intake | Offering SVQ level III only | Offering both SVQ levels II and III | Total |
|--|------------------------------------|--|--------------|
| Many more | 1 | 0 | 1 |
| More | 1 | 2 | 3 |
| On target | 5 | 13 | 18 |
| Fewer | 0 | 11 | 11 |
| Considerably fewer | 0 | 2 | 2 |

It might have been expected that centres with a ready supply of level III candidates (i.e. those graduating from level II awards) would have been able both to recruit their target number more successfully and to forecast more accurately the likely number of future enrolments. However, the above pattern suggests that centres focusing on the higher level awards are more successful when measured against their own targets. There is some difference in the pattern of enrolments between these two categories; all bar one of those centres which only offer level III awards enrolled 15 or fewer candidates during 1997. Hence their enrolments are more modest than those centres offering both levels and, since their targets have been met or exceeded, their expectations must also be modest.

However, it should be noted that as there are only 7 centres in the group which only offer SVQs at level III, the information is statistically unreliable and benefited from being explored as part of the follow-up interviews.

The reasons given for low enrolments were slightly different for level III than has been reported above for level II. A lack of interest by employers and employees, exacerbated by poor marketing was cited by 10 centres, and a further 8 blamed current funding mechanisms. One centre mentioned SVQs being mismatched with the jobs for which they are designed and another mentioned that they were often in the position of sub-contractor and therefore the enrolment procedure was undertaken by the contractor. Finally, one centre mentioned that it has only enrolled candidates when it has been confident that they would successfully complete. (This last is an effective way of avoiding wasted enrolment fees while appearing to have an above-average success rate.)

Twenty-one centres out of a possible 29 responded to the question asking about progression rates from level II to level III in their centre. The responses were starkly contrasting. Sixteen reported a progression rate of less than 20%, one of 25%, one of 50% and three of between 80% and 100%. The responses were checked to see if any correlation could be established between the quantity of enrolments and centres which had a high progression rate. But no correlation could be found.

Neither could any correlation be found between the quantity of enrolments and either occupational sector or geographic region. This suggests that the reasons for this disparity in responses lie in the policies and strategies of different centres.

Table 4.4: Characteristics of centres reporting on progression rates

| Progression rate | No. of centres with level II enrolments below 50 pa | No. of centres with level II enrolments above 50 pa | No. of centres with level III enrolments below 30 pa | No. of centres with level III enrolments above 30 pa | Total No. of centres |
|------------------|---|---|--|--|----------------------|
| 0% - 5% | 4 | 7 | 6 | 5 | 11 |
| 6% - 10% | 0 | 4 | 2 | 2 | 4 |
| 11% - 20% | 1 | 0 | 1 | 0 | 1 |
| 25%-50% | 1 | 1 | 2 | 0 | 2 |
| 80% - 100% | 2 | 1 | 2 | 2 | 3 |

Centres which reported low progression rates reflected an occupational cross-section of the centres in the survey. They were operating mainly in the service industries with management, training and development predominating, followed by retail, information technology, building and customer services. The 3 centres which reported high progression rates were operating in 4 occupational sectors: management, training and development, care and electrical engineering. This suggests that there were no sectoral reasons for differences in progression rates.

The geographical location of the 3 centres reporting high progression rates was also checked and found to reflect the total population of centres i.e. one was from the central belt of Scotland (Dumbarton), one

from an urban area not in the central belt (Aberdeen) and the third from a rural area (Dingwall). This suggests that there were no geographical reasons, such as LEC policy, which influenced progression rates.

A progression rate to level III SVQs of 82% on current level II certifications would be required in order for level III Targets to be met and it is evident from the data that some centres have managed to achieve this and more. The question then remained as to what the low achieving centres could learn from these successful centres which would allow them to raise their progression rates to 82% or above. This was explored further during the follow-up interviews.

The final question in section 2 of the questionnaire asked about barriers to certificating successfully more candidates at level III. As this question is at the heart of the Government's failure to reach the National Targets 2 and 3 the responses are particularly important. Some of them were a repeat of answers to the previous questions on low enrolments, such as poor funding and inadequate marketing, but some new issues also emerged. In particular it is worth mentioning:

- the perceived mismatch between level III SVQs and the kind of jobs which young people are in. It would appear that young people in particular find it difficult to build up a portfolio of evidence for level III awards because they are not in a position to provide evidence of some of the higher level skills, such as supervision of other staff;

- a number of respondents mentioned that trainers with poor skills, particularly in cost-effective assessment, constituted a barrier to higher levels of successful certifications. Achievement of the national awards for assessors and verifiers (known as the D units) was not seen as necessarily guaranteeing a high order of training skill;
- a combination of responses centred around the question of the size of SVQs, their off-putting structure and the fact that they require too great a commitment from both the employer and the trainee in terms of time, and from the trainee in terms of the 'laborious' portfolio building.

One respondent based in a rural area pointed out that for his organisation the main barrier was its location. His catchment area was approx. 420 sq. miles with a total, scattered, population of 4,500.

In response to the question asking why they did not offer SVQs at level III, centres offering only level II gave a variety of answers. The main reason (given by 3 respondents) was that they were working towards gaining approval to provide level III awards; so awards at level III seemed to be perceived as something a centre did after getting established at level II. Others responded that:

- they were disinclined, given the poor interest shown at level II
- their clients were mainly special needs trainees

- there were more relevant alternative qualifications
- they considered they had inadequate staffing, facilities and demand

At this stage in the questionnaire analysis two main observations can be made:

- there is not the considerable level of non-enrolment amongst approved centres that the desk research suggested, this may be due to the gap in time between the origins of the desk research and the returns on the field research having allowed many previously inactive centres to become active (which would also explain why a large proportion of the centres do not give enrolment data pre-1997);
- although the enrolment position is much healthier at level II than at level III, these enrolments have been achieved within what is perceived as a much more adverse environment; were that environments to be improved, then enrolments at level II could rise, thereby potentially having a positive knock-on effect on level III enrolments.

4.4 PROPOSED EXPANSION

Despite many of the negative comments made in the responses about the difficulty of the environment in which they operated, the question on future plans for expansion elicited extremely positive responses, particularly from those centres currently enrolling candidates at both

level II and level III. Many centres intended to expand into new occupational sectors and into new levels, as well as enrolling greater numbers of candidates for currently approved awards.

Table 4.5: Expansion plans of private training providers

| | Level II only | | Level III only | | Levels II & III | | Total | |
|--------------|---------------|----|----------------|----|-----------------|----|-------|----|
| | no. | % | no. | % | no. | % | no. | % |
| new sectors | 2 | 25 | 6 | 75 | 22 | 82 | 30 | 70 |
| new levels | 4 | 50 | 4 | 50 | 18 | 67 | 26 | 60 |
| greater nos. | 6 | 75 | 4 | 50 | 22 | 82 | 32 | 72 |

The figures would also suggest a different outlook on future opportunities between centres operating at level II only and those at level III only. Only one quarter of the former are considering expanding out into new sectors and are principally concerned with attracting greater numbers of candidates for the awards which they already offer (despite often struggling to meet present targets), perhaps combined with expanding into new levels in the same occupational sectors.

Three-quarters of centres offering only level III awards are considering branching out into new sectors and half of these centres are also intending to attract greater numbers to existing awards and expand into new levels within existing occupational sectors.

Most ambitious of all however, are the centres which offer both levels II and III SVQs. Eighty-two percent of them are intending to expand into

new occupational sectors at the same time as attracting more candidates to existing awards. Also, of the three groups of centres, they are the most ambitious in terms of expanding into new levels in the occupational areas in which they currently operate.

Whilst this data can predict neither success nor volume, it does indicate a very vigorous training sector which is forward-looking and considers, whether rightly or wrongly, that the market still has untapped capacity which it can exploit. As reported in Chapter 1, an annual growth rate of successful completions of level III of 2.75% is required in order for the Targets to be met. The plans for expansion of the private training providers would suggest that they have the capacity to deliver that and perhaps to exceed it, thereby compensating to some degree for any less vigorous sectors of the training market.

Some of the respondents supplied more information on exactly where or how they expected this expansion to take place. Several named the sectors into which they expected to expand, with management and customer services being mentioned most frequently. In addition to the other usual service sector occupations however, there was also some mention of engineering, manufacturing, electronics and textiles. Two centres saw themselves expanding into Modern Apprenticeships and another expected that the New Deal would mean a greater supply of candidates. One centre was already expanding into mainland Europe and another into non-VQ 'more commercial' training. Another saw increased business being generated by continuing to focus hard on

marketing the training centre and the awards it offered. Invariably, when centres indicated that they would expand into other levels, they indicated the level above the one(s) at which they currently operate. None of the respondents indicated expansion plans which would move their businesses into a level below or which would make provision for special need trainees.

4.5 POLICY CHANGES

4.5.1 Funding

As might have been expected, given the comments which had already been made in the completed questionnaires about funding being a barrier to increased certifications and its role in depressing enrolment figures, it attracted the most comment about policies in need of change. Thirty-nine (87%) centres mentioned it as needing to be changed and many others went on to suggest the specific changes they would like to see.

Some of those who sought increased funding occasionally mentioned where in particular they would like to see it targeted: the 18+ age group, particularly the adult unemployed; the additional costs of supplying assessors and advisers in rural areas; support for off-the-job studies and work-based assessors; and funding for employers. It was felt that increased funding would have a positive impact on quality of provision and would permit faster development. The inconsistencies in

funding strategies between LECs was pointed out and one centre wrote strongly in support of adopting the English payment structure which, it was felt, posed fewer financial risks for centres and therefore did not act as a disincentive to them in delivering level III awards. (But which, it transpired during interviews with national agencies, gave rise to a higher incidence of fraud.) There was a desire for a funding strategy which removed the concept of payment at milestones and payment by SVQ achievement, and which provided more stability and longer contracts. There was a general feeling that LECs expected training to become cheaper each year, which was considered unrealistic. The European Social Fund was mentioned as being an attractive source by centres not currently involved with it, while those which were, were highly critical of it, particularly the Fund's one-year timescale which was considered insufficient for the average trainee to complete a level III SVQ.

4.5.2 Sectoral Behaviour

The prominence given to the funding issue is apparent when the next most frequently mentioned area for policy change, sectoral behaviour, is seen as having been highlighted by less than half the number of those who highlighted funding (41% of the sample). A number of the comments which were offered were to do with the efforts of a sector in promoting its own awards. For example, it was stated that marketing of vocational qualifications by the sector has been successful in the past and that National Training Organisations (NTOs) should consider how

they 'sell' VQs. There was dismay that job advertisements asking for VQs are still rare, as this display of recognition by employers was considered crucial to uptake. A number of comments centred on the need for more interest in and understanding of VQs to be shown by employers and by educationalists and one respondent argued strongly for FE colleges and local authorities to be barred from involvement in VQ provision so that it became more truly work-based. In support of comments arising from other parts of the questionnaire, one respondent proposed that it should be made mandatory for trainers to be trained.

4.5.3 Schemes

Policy changes to schemes attracted slightly fewer comments (37% of the sample) than sectoral policy change and both the New Deal and Modern Apprenticeship extensions were highlighted but without any detail of changes that the respondents would like to see. A comment on the Skillseekers programme stated that an enormous difference could be made in enrolments by extending the age for eligibility. It was felt that the publicity material produced was ineffective in convincing employers of the real benefits of VQs and that LECs were more concerned with meeting targets than with the people who were being trained. There was a plea for fewer schemes and for those which did exist to be simple to operate and clearer for candidates to understand.

4.5.4 National Training Organisations

Only 20% of respondents commented on policy changes with regard to NTOs and it was obvious from those which did that they felt that it was too early yet to be specific. 'The outcome of changes here remain to be seen' as one respondent put it. Other comments stated the type of policies and practices they would like to see NTOs adopt e.g. an emphasis on workplace training and assessment; a simplification of evidence-gathering; and a continuation of the attempts to make VQ language easier to understand.

4.5.5 Additional Comments on Policy Change

Several respondents took the opportunity to contribute additional information on areas such as SVQ delivery, increasing the numbers of candidates and the infrastructure which supports the system. These are summarised below.

Two respondents touched on the place of VQs vis-a-vis traditional qualifications. One felt that their status was lower and ways should be found of raising it. The other felt that greater emphasis should be placed on the value of the VQ system as opposed to the 'college-based certificate route'. This is taken to mean alternative qualifications such as HNCs and National Certificate programmes; unlike a further respondent who would appear to be more concerned about colleges delivering SVQs when he stated that 'all work-based awards should be

based on and in the workplace'. This accords with another comment which wished to see 'greater use of training providers to deliver VQs to employers' (presumably meaning to employees either in the workplace or off-the-job).

Whilst admitting that additional funding would help, one respondent from a rural area, offering level II SVQs only, stated that

..... the main problem is the lack of the appreciation of the value of a recognised qualification in many quarters - young people and employers alike. Education of the importance of this and of employers having to provide structured training would help. Small businesses are at a disadvantage in this respect and some help for them may change attitudes.

Essentially, his plea was for employers and young people to be helped to realise the benefits which would accrue to them if they became involved in working towards nationally-recognised qualifications.

One respondent suggested that too often assessment for VQs was merely accreditation of prior learning and was not sufficiently developmental for the candidate. Another two respondents looked at ways in which the numbers of candidates could be increased; one suggested that more sectors should make achievement of VQs mandatory for jobs in their industries, the second pointed out that creating a route to membership of professional associations through vocational qualifications had created interest and awareness in some sectors. Finally, two respondents addressed the bureaucracy which supports the system and called for clearer information services from

'LECs and other coordinating bodies' and for the awarding bodies to stop vacillating about the need for Awards for assessors and verifiers.

4.6 GENERAL COMMENTS

The final section of the questionnaire allowed respondents to make any further comments they wished without suggesting what topics might be addressed. Additional comments were also made in the covering letters which some respondents chose to write. Together, these range over a wide variety of topics, some of which have already been reported in previous sections of the analysis and some of which are new. Where appropriate, the comment is produced verbatim.

Two of the respondents chose to take the opportunity to stress the negative effects that arise from a lack of compulsion to train and the role which under-funding plays in that:

Apart from LEC-funded Training for Work programmes, which are under-funded, the private sector shows very little interest as SVQs are not needed to do the job whereas statutory licenses are.

I feel that VQs have still got a poor reputation, especially as there are continuing reports (albeit rarely now) of malpractice both with awarding bodies and approved centres. To use private training providers to carry out the many assessments etc. required for these awards is expensive. Small companies generally cannot see the benefit in paying out for something which their workforce do not *need* - especially as it is a transferable qualification. Many companies are interested until they discover there is no financial assistance for them, owing to the age of their employees.

One respondent was concerned at recent changes, as a result of the Beaumont Report, to introduce a greater element of central control over SVQ assessments. He states:

If SQA continues to change VQs into written exams/paper chases then industry will be turned off. Some candidates will opt for the traditional written exam (shorter and quicker!). It's already happening.

In contrast to the numerous comments on under-funding, one respondent's covering letter challenged those who are overly concerned with it and insufficiently, in her opinion, concerned about the quality of the training they are delivering:

..... so much VQ provision has become a question of how much cash organisations can make and provide the least service in return..... If individuals are to seriously be in charge of enhancing the skills and knowledge of others then they really have to know what they are doing. They have to know - how people learn, what their preferred style is, why people learn - what motivates, what de-motivates, what barriers they have and why they have them. They must know how to read standards, design cost effective training and instruments of assessment for them and above all know how to and care enough to quality assure the whole process.

One respondent pointed out that 'more recognition of unit credits might help candidates who cannot achieve a full SVQ' and another reiterated the point that a very large barrier to increasing level III VQs was the lack of opportunity in the workplace for most trainees to work at a supervisory level.

'Suspicion and hostility' was the way one respondent felt that 'independent FE' was regarded which was echoed by another who

pleaded for awareness of the role and acceptability of private sector training. Finally, one respondent was making no guesses as to how the New Deal and Welfare to Work would impact on candidate recruitment, only that it would, positively or negatively.

4.7 CONCLUSIONS ON QUESTIONNAIRE ANALYSIS

The rate of return of questionnaires, the quality of the responses and the generosity with which people provided information, all suggest that senior staff and owners of private training providers feel that the questionnaire touched on topics on which they have strong feelings and opinions. The impression is that they consider their role to be undervalued and insufficiently supported, with a great deal of untapped potential to improve access to quality training and hence to improving Scotland's progress towards the Education and Training Targets. Were that potential to be tapped, we might expect to see a number of changes:

- higher levels of enrolment in the training programmes which private training providers offer, rather than, as at present, many programmes unused;
- higher progression rates as young people, having had a worthwhile experience in gaining a lower level SVQ, opt to stay with the same private training provider to progress to the next level or to another award at the same level;

- investment by Local Enterprise Companies and the national agencies, such as Scottish Enterprise, HIE and SQA, in developing the potential of private training providers to offer high quality training programmes in response to identified labour market needs;
- a process of consultation by the LECs and the national agencies with private training providers, so that the views of the latter group are taken into account when changes to policy and operation of SVQs is being considered.

Some of the information is quantifiable and has been used to show trends and patterns of uptake. Other information, where respondents have been asked for comments, is less easily quantifiable but does provide insight into the current concerns of private training organisations and the system as it is viewed from their perspective. This has been used to flesh out the purely numeric data but has also been used to develop semi-structured interviews to be undertaken with selected respondents to the questionnaire and with national and regional agencies.

As with the results of any survey in which the respondents are, to a degree, self-selected, the question must exist as to whether, in terms of their success as businesses and as trainers, the respondents are representative of the total population. It may be that the more successful are inclined to respond, and to respond in an optimistic

manner, and/or it may be that the unsuccessful, with time on their hands, are more inclined to respond and to do so pessimistically. Questions could also be asked about the accuracy of their figures and forecasts; although given the nature and confidentiality of the survey, no benefits accrue to them by elaborating on the truth. To some extent these queries can be addressed through interviews, both with a sample of the respondents and with representatives of national agencies and this is reported in Chapters 5 and 6.

The analysis shows a marked difference between centres offering level II SVQs only and those offering level III SVQs only. The former have experienced a more substantial increase in enrolment figures in recent years but now expect lower expansion rates. The latter have had a slower increase in enrolments until now but are more optimistic about future expansion. In general, those centres offering SVQs at level III appear to be characterised by: smaller numbers of candidates, success in achieving or exceeding self-imposed enrolment targets, slow and steady growth and guarded optimism for the future.

Judging from the questionnaire responses, the majority of the projected growth will come from centres offering both levels II and III SVQs, that is, the group of private training providers from which the higher numbers of level III enrolments are currently generated.

One supposition arising from the above is that, although they are all private training providers, centres offering both levels II and III may be

different types of business from those offering only level III, with the latter less dependent on government funding and focussing more on the commercial market and thereby offering a wider portfolio of services.

One of the more surprising outcomes of the analysis of the questionnaire responses is the conflict which it highlights between the current under-performance of centres at level II and their plans for future expansion. These are centres which, by their own admission, have largely failed to meet the enrolment targets which they have set themselves, do not always have the physical or human resources to provide quality training at level III and which consider themselves to be operating in an adverse economic environment where the value of their services goes largely unappreciated by employers and young people. Yet, rather than turn their faces to the wall, they are planning (or at least hoping) to expand over the next three years; and over 50% of that expansion is to be into what appears to be the tougher market of level III awards, where the numbers of potential candidates are smaller and the resources required to deliver are greater.

It is interesting to note the force with which many of the respondents comment on the need for SVQs to be delivered in the workplace; they obviously feel that this is something which they can offer, in contrast to FE colleges. SVQs were originally developed and designed to be delivered in the workplace and it has generally been a concern of national and sectoral agencies that so many of the enrolments come

from FE colleges. This emerged as an area to be explored further in the interviews, to gain more information on the importance of private training providers in facilitating SVQ delivery in the workplace. Discussion during the workshop which followed confirmed that the FE colleges do not fulfil all of the training needs of local communities.

CHAPTER 5 - INTERVIEWS WITH PRIVATE TRAINING PROVIDERS

5.1 PURPOSE

This chapter reports on the preparation for and undertaking of interviews with private training providers selected from amongst those which completed and returned the questionnaire. As reported in section 2.3.5, the purpose of these interviews was to explore in greater depth issues which had arisen from an analysis of the questionnaire responses. As a result of this stage of the field research, some issues acquired greater prominence and others diminished in importance.

5.2 INTERVIEW PREPARATION

It was to be expected that the questionnaires, whilst answering some questions and providing useful data, would not be able to provide the required depth of understanding of particular topics. These might be topics which were referred to within the questionnaire, such as progression rates or funding policies, or they might be topics which arose from the responses, such as the quality of trainers working for provider organisations or lack of employer interest. Regardless of how they were initiated, it was important that those topics which were pertinent to the aim of the project (i.e. to establish how private training providers could make a greater contribution to education and training provision in Scotland) were subject to some further investigation in the form of interviews. The topics needed:

- to be identified;
- clarification on exactly what further information was required;
- a decision on who could best supply that information (in some cases perhaps from more than one perspective);
- design of questions which would best elicit that information;
- consideration of how the responses would be most effectively reported.

The identification of the topics was done by scrutinising the questionnaire analysis and by reviewing responses to all of the open questions as well as the contents of any covering letters which had been sent. This was done under 4 headings as shown below. Subsequently, each topic was coded to show whether questions on the topic should be directed at a private training provider, a national agency or a regional agency or a combination of any of these. The coding was done as follows:

(PTP) = Private Training Provider

(NA) = National Agency

(RA) = Regional Agency

1. Scale of Current and Proposed Activity

- estimations of percentage growth over next 3 years given status quo in terms of national and regional policies (PTP/NA/RA)

- estimations of percentage growth over next 3 years given specific changes to funding policies (PTP)
- why centres offering both levels II and III appear to have more difficulty reaching self-imposed level III targets (PTP/RA)
- the proportion of the anticipated growth which will be at level III (PTP)
- gender, age or employment status considerations in successful completion and progression (PTP)
- time-lag between approval as a centre and enrolment of candidates (PTP)
- rates of and barriers to successful completion at level II and at level III (PTP)
- sectors of the market which will provide candidates for projected expansion (PTP)
- impact of funding on quantity of enrolments (PTP/RA)
- reasons for less proposed future activity by providers solely offering level II awards

2. Quality of Delivery

- expertise and skill of trainers (NA/RA)
- staff development (PTP)
- qualifications and experience of trainers (PTP/NA)
- impact of funding on quality of delivery (PTP/RA)

3. Operating Environment

- anticipated impact of New Deal (NA/RA)
- likelihood of success in achieving Education & Training Targets nationally (NA/RA)
- planned action by national and regional agencies to facilitate achievement of Targets (NA/RA)
- market research activity (PTP)
- use of labour market information (PTP)
- funding constraints and their impact (PTP/RA)
- funding inconsistencies between LECs (PTP/RA/NA)
- awareness-raising and promotional activities for employers and prospective trainees (RA/NA)
- linking VQs to membership of professional associations (NA)
- difficulty for young people to gain experience at level III (NA)

4. Characteristics of Centres

- the optimum size of centre to achieve success in terms of progression rates and/or reaching level III targets (PTP/RA)
- comparison of policies and practice (e.g. recruitment, marketing, guidance/counselling, staff development) of centres with high progression rates and centres with low ones (PTP/RA)
- percentage of business which is VQs (PTP)

Having established these topics as the ones to be explored further, they were clustered according to type of interviewee, each topic expanded into a number of questions, ordered accordingly and compiled into lists to be used at the interview. The questions for regional and national agencies were not finalised until after the interviews of the training providers had been conducted and analysed, in the expectation that they would need to be further refined in the light of the training providers' responses. The finalised lists appear as Appendices 6 and 8. Once the lists of questions were developed it became possible to identify the type and number of interviewees that would be required.

It was felt to be inappropriate to take a purely random sample of private training providers for interview. This was due to the fact that many of the pertinent characteristics were already known about the 36 centres which had responded to the questionnaire and agreed to be interviewed and it was important that those which displayed particular characteristics or had made particularly relevant points were targeted.

The characteristics which were sought were centres which could provide a contrast between:

- high forecast expansion rates/low forecast expansion rates
- high progression rates from level II to level III/low progression rates
- failure to meet self-imposed recruitment targets/met or exceeded targets

- enrolment of candidates for both level II and level III/
enrolment for level III only
- enrolment of above average numbers of candidates/
enrolment of below average numbers of candidates

These five variables had been shown by the questionnaire analysis to be the most critical, whereas the issues of occupational sector and geographical location had not been found to play a part in variations between the performance of centres. However, since the problem of lack of progress towards achievement of the National Targets is particularly severe in the urban central belt, it was important that the majority of interviews were conducted with private training providers in that part of the country.

It was decided that face-to-face interviews would be preferable to telephone interviews, given the better opportunity which they provide to explore issues in depth. This would mean making some sacrifice in terms of numbers of centres interviewed but would provide better qualitative information. The one exception to this was the case of a centre in rural Inverness-shire which had particularly relevant characteristics but which whose location made a face-to-face interview impractical. That interview was done by telephone. In the event one of the other interviewees requested that the interview be conducted by telephone because she felt that it would be less intrusive in a busy schedule.

In order to cover all of the variables, six centres were selected with the following characteristics:

Centre 1

- high proposed expansion
- low progression
- on target
- enrolments at both levels
- above average number of enrolments in 1997

Centre 2

- low proposed expansion
- low progression
- failed targets
- enrolments at neither level
- below average number of enrolments in 1997

Centre 3

- average proposed expansion
- low progression

- on target
- enrolments at level III only
- below average number of enrolments in 1997

Centre 4

- low proposed expansion
- low progression
- below target
- enrolments at level III only
- above average number of enrolments in 1997

Centre 5

- average proposed expansion
- high progression
- on target
- enrolments at both levels II and III
- above average number of enrolments in 1997

Centre 6

- low proposed expansion
- low progression
- on target
- enrolments at level III only
- below average number of enrolments in 1997

In addition to the six centres described above, others were identified as having similar characteristics in order that they could be included should any of the above refuse a request for an interview.

Having identified the six centres, they were telephoned in order to confirm their willingness to be interviewed and a date and time arranged. Prior to the interview, written confirmation of the arrangements were sent to the centres along with a summary of the analysis of the questionnaire and the interview list of questions. See Appendices 5, 6 and 9.

5.3 CHARACTERISTICS OF THE SIX SELECTED ORGANISATIONS: THE RELATIONSHIP TO LECS

Although the six centres whose representatives were interviewed were selected because of their characteristics in terms of types of award, numbers, success in reaching their business targets and progression rates, it became clear from their responses to the interview questions

that private training providers approved to offer SVQs fall into two distinct categories unconnected with most of the above criteria:

- providers for which LEC contracts are a minor part of their business and upon which they are not financially dependent
- providers which depend heavily, perhaps exclusively, on LEC contracts

There was a consistency in the responses depending upon which of the above two groups a centre could be categorised as belonging to. As a result, views of the representatives of the six centres appeared to be much more strongly influenced by which of these categories they belonged to rather than any other characteristic. Of the six which were interviewed, two fell into the first category and were likely to remain there, being branches of national companies which had been set up to provide large scale provision of training for unemployed youth and adults. A third, although relatively small and independent, fell into the first category through carrying out Training for Work contracts, but saw its future much more in the commercial market, providing short courses for industry and competing with universities for high level management training programmes. Of the three which fell into the second category, two described themselves as consultants (which could provide a service, amongst others, in the design and delivery of training programmes incorporating SVQs) and the third used the term

'independent further education' to describe its delivery of training in the Care sector.

In the case of the two centres which described themselves as consultants, it had been a positive decision for them not to become dependent on LEC funding for business. One of these centres, which has been operating successfully for about 10 years, claimed to have a better chance of survival and felt able to maintain a higher quality of service by not being dependent on LECs. It was important to it that it had achieved indicators of quality such as Investors in People and the Scottish Quality Management System, which helped to win work in which it could 'define the rules', be 'in the driving seat' and enable it to influence the terms of reference of the contract. It felt that companies which were dependent on year-to-year LEC funding were in a much weaker negotiating position, being entirely dependent on a single client and therefore entirely at the mercy of that client's decisions. That is not to say that it did not carry out work which was funded by the LEC indirectly. The centre felt that being approved to offer SVQs was a help in winning consultancy work as it complemented other services it offered. However, it could, for example, afford to turn down LEC invitations to bid for European-funded projects, where there was no guarantee of extension beyond the first year. In contrast, the centres which were heavily dependent on LEC-funding did not appear to feel that they were in a position to be selective in, or to negotiate, the contracts on offer. This consultancy had done little marketing, having had a high incidence of repeat business and undertaken 'clever

networking'. That is, it had established itself very strongly with employers and other prospective clients in the region in which it operated and had a good reputation within that community. It tended not to 'sell SVQs' but to incorporate them as part of proposals for competence-based training programmes.

The second consultancy, which offered similar types of training programmes to the first (i.e. management, training and development) and was also IIP and SQMS approved, was quite adamant that 'as a business, we have absolutely no involvement in LEC funding, and never wish to have any involvement in LEC funding, because we don't believe in the positive outcome (approach)'. That is to say that it did not wish to enter into contracts in which payment was dependent upon trainees successfully reaching specified milestones. Again, indirectly, it did LEC-funded work by contracting with companies which were LEC-funded and prepared to pay up-front. But it felt that the companies had a financial commitment to them as individuals and valued the training. Because the companies contracted the work themselves, they did not see it as 'getting something for nothing'. As with the first consultancy, the organisation felt this gave it more flexibility in how the training was delivered. For example, it might be considered more appropriate to focus, in the first instance, on the theory and understanding, prior to addressing the certificatable skills. However, even this limited involvement in delivering SVQs was in jeopardy judging by the warning given that 'organisations like ourselves which are considered to know what they are doing, are seriously thinking about walking away from it

because we are sick to death of the poor quality of delivery and then we all get tarred with the same brush'.

Both of these consultancies appeared to have every reason to believe that they are highly regarded as trainers, as both were contracted to provide either management development training to staff of Highlands & Islands Enterprise (HIE) or training of trainers (including assessor training) to LEC and private training provider staff. Indeed one of them was assisting HIE to itself become an approved centre, so that it could offer management and administration training to its own staff. They were therefore perceived as amongst the best of their kind and examples to others of high quality training providers.

The third centre in the category of those not dependent on LEC contacts is that which described itself as 'independent further education'; it is not undertaking any training funded directly by a LEC. Its stated aim is 'independence not exclusivity' but, after what it considers to have been a very negative experience with its local LEC it has decided to abandon SVQ training in favour of HNC. It claimed to have been described in reports completed by awarding body external verifiers as having 'standards amongst the highest in Scotland'. It is unique amongst the sample in catering for fee-paying individuals, rather than for government programmes or corporate business, a situation that has come about through disillusionment with the LEC rather than as an initial objective.

Apart from being largely independent of LEC funding, these three centres have some other features in common: they are all quite small ranging in size from 3 - 6 staff, they all focus on one or two occupational sectors where they have particular experience and strengths and they are all run by owner-managers. They are all concerned with carefully controlled expansion due to their highly-developed awareness of the need to maintain quality. Their annual throughput of enrolments is therefore small and unlikely to grow substantially in the short term.

Of the remaining 3 centres in the sample, 2 displayed characteristics in direct contrast to those described above. Both were branches of national training providers and depended almost exclusively on LEC contracts. They enrolled large numbers of trainees in a relatively wide range of occupational sectors; although both were finding it difficult to meet the targets which had been set for them. What had appeared in the questionnaire responses to be an inability to meet self-imposed enrolment targets should therefore be re-interpreted as an inability to meet targets set by a geographically distant head office. They were resigned to accepting the contractual conditions which LECs imposed. Both of them recognised the need to expand into commercial work but gave no evidence of having the entrepreneurial skills and resources which would be required to do so successfully.

The last centre in the sample was something of a hybrid between the two main types, largely depending, as it was at the time of the interview, on LEC contracts, but already making what appeared to be successful

forays into the commercial market. Its enrolment numbers were smaller and more focused on management training services.

5.4 CONTACTS WITH LECs

Of the six centres whose representatives were interviewed, four had experience of working with a number of LECs whilst the other two (one from each category) had experience of only one LEC. Those centres which were not dependent upon LEC funding were more outspoken in their criticism of LECs. Of the others, one centre spoke very highly of the calibre and understanding of LEC staff: 'they are terrific, they understand the big problems, they understand the restrictions in funding, they are great people'. The negative points which arose from these four organisations were concerned with the quantity of paperwork required by LECs (described by one as 'paperwork overload') and, to a lesser extent, with the different paperwork and regulations required by different LECs. One of those which was part of a national private training provider also felt that labour market information supplied by their local LEC was unreliable and they preferred to depend upon their own internal data.

Amongst the providers not dependent upon LEC funding, criticism was less restrained. The independent FE college felt particularly bitter that it 'did not get any practical back-up and help' from the local LEC. In its dealings with them it felt that the LEC was 'very off-hand, dismissive' even although it had admitted to having been impressed by the training

provision. The centre had expected more support from the LEC in the form of advice on fee rates which it should charge and felt that it had been misled over financial arrangements concerning trainees' travel. It appeared that as a result of initial 'financial ignorance' on the part of the provider the LEC branded them as inexperienced and unfit to handle sub-contracts from other training providers. It was also refused a contract for Training for Work with no explanation given. The 'immense amount of duplication' of paperwork required by the LEC was also mentioned as being off-putting. This centre has since gone ahead, entirely independently of the LEC, to establish a thriving training business.

Both of the consultancy firms raised the issue of LECs preferring to contract with training providers based within their own region and the negative impact which this could have on quality of provision. It was felt that this policy was taken to extreme when it was carried through regardless of the fact that, in some LEC regions, there was no high quality provision in certain occupational sectors. The LECs were perceived as continually stating the need to support their local provision instead of giving initial support and then pulling out if adequate standards were still not reached. This appeared to stem from a fear on the part of LEC senior training managers that they would be left with the most difficult trainees to place if they did not support their local training providers to the exclusion of higher quality providers outside their region.

There was also criticism of the LECs by the consultancy firms for not taking a more holistic approach to training. It was felt that LECs made arbitrary decisions, such as funding a particular SVQ, and that award would then be promoted and marketed to companies without training needs being properly analysed. This was considered to be 'creating an awful lot of sub-optimisation'. The interviewee expanded on this issue:

You're getting blanket level II VQs put into organisations where either the staff are way above that so they are demoralised by being put through a qualification that's not at their level or they're being turned off by being put through something that they can't manage to achieve. Rather than say "let's fund these that are on this list" and then plug them to everybody that's out there, why don't they just say "we will fund VQs as appropriate"? And then somebody might go into an organisation and say "Okay, 10 of your staff should do a level III in Management and 18 should do a level II in Production. Then go back to the LEC and say "this is the package for this company". And they also need somebody to set up all their systems, the infrastructure that supports the VQ instead of it being "let's just get in there and get people assessed". The VQ should be introduced gradually, it should be compared to what they do, the gaps should be identified, the skills and knowledge and personal attributes needing to be trained in, let them become comfortable with it, work with it, then an assessor should come in, blitz the assessments without them hardly noticing, and the icing on the cake is certification. But all the other things should be benefits to the company. It's so easy to get it right, why don't they do it?

Further criticism was directed at the LECs regarding the lack of importance that they gave to their training responsibilities. From the viewpoint of one of the consultants there was a culture in the LECs that training is 'a poor relation' and that the economic development role is 'the glossy, glamorous side' of the LEC work; particularly work with the Locate in Scotland programme aimed at attracting inward investment to their regions.

In spite of the criticisms levelled at the LECs, there was a recognition from one interviewee that LECs too were under pressure to achieve specified targets:

If you talk to LEC staff who are directly involved with it they'll tell you, "If we had it our way, we wouldn't do it this way"..... Scottish Enterprise puts pressure on the LEC It's just numbers.

However, in one part of Scotland, the quality of key staff in the regional agency was described as 'absolutely and utterly appalling' with relationships between the LEC and the local college described as 'a battle'. This appeared to have worked to the advantage of the centre which made the statement, as it admitted that the LEC was happy to contract direct with private training providers and that their own organisation probably would not exist if the college was 'good' and 'more proactive'. This suggests that the location of a private training provider can have some bearing on the volume of LEC contracts which it wins, depending on how the LEC staff perceive the quality of provision at local FE college(s).

5.5 QUALITY

One of the consultancy firms which was chosen for interview had been chosen specifically because of the strong statements which it made in its questionnaire response about the lack of quality in private training provider training provision. In the interview the company's representative expanded on this issue. In training recently undertaken

for over 163 trainers and staff from a number of different LECs only one person could claim to have a training qualification. None of the participants appeared to: understand the training cycle; know how to carry out initial assessment; or understand the need to assess trainees' level of confidence, assertiveness and interpersonal skills. It was felt that too much reliance was placed on referral forms from the Careers Service and the misconception that initial assessment had therefore been carried out. Trainers appeared to consider that training needs analyses were unnecessary if the award for which the trainee should aim had already been identified. They felt that there was no time to talk to people, find out what motivated them to learn and what barriers stood in their way. The consultant felt that the trainers virtually trained backwards:

Instead of looking at it and saying "Okay, what are the best training methods to train in this knowledge, what's the best way to train in this skill to make the training cost-effective and to get the best results from the learner", they just said, "Well it's an outcome, they have to be able to do this, let's make them do it and assess them". It's very mechanistic and then obviously you have people on the receiving end with the same perception of a VQ as the person who's training them. They don't understand them. Most of them we had to actually teach to read the standards that they were training..... The D units are assessor qualifications, they don't teach them anything about training; again they're at the outcome end. They're the assessor qualifications for assessing the outcomes so that's the wrong end. We say to them "Well, what about the inputs?" And they don't think about the inputs, they just concentrate on the outputs.

The interviewee felt that the problems caused by the lack of training ability of trainers in private training providers was exacerbated by a similar lack of knowledge and understanding by LEC staff:

If those who contract with providers to deliver training do not themselves understand the initial assessment and how to design delivery and assessment, how can they possibly contract it?

There was also a perception that the trainers, although lacking the requisite skills and knowledge had 'an unwillingness to admit that they've got something to learn'. Trainers who were asking to enrol for Training and Development SVQs were expecting to do it entirely through accreditation of prior learning (APL). Rather than use the SVQ as a planning tool, to follow best practice, and perhaps to learn something new, trainers 'had latched on to the bit of marketing that says VQs are credit for what you do'. Poor quality training in the past was seen as the cause of SVQ certificated workers not being properly trained. This in turn had a negative impact on the perception of employers who end up with workers who cannot do what their qualification says they should.

It was felt that private training providers are continuing to be approved who will not be able to deliver quality training. Both consultancy firms were of the opinion that one of the solutions to the problem was that rather than increase the number of centres, resources should be put into improving existing centres and encouraging private training providers to work together.

I think the awarding bodies should be much more stringent on approval; I think they would benefit from having fewer providers but higher quality and I think that would give the other ones something to strive for. In other words, if you want to be a provider of certificated training, then you have to reach a much higher standard. The numbers might drop initially, but I think what you're doing is that you're solving problems.

It's very much a case of going back to the drawing board We're still up against people who deliver VQs as training courses all the time but don't understand actually how you design training to do that. HIE [Highlands and Islands Enterprise] certainly recognises that there's an issue and they're going in and they're taking quite a long-term view of things. They have a tool there, they have SQMS [Scottish Quality Management System], if it's done right, it's absolutely superb.

The prevalence of poor quality trainers was confirmed by another interviewee who found it very difficult to find good people because of what they can afford to pay. This firm tended not to enter into contracts which required external resources which they could not control.

The independent FE college also cast doubt on the quality of training taking place in some centres judging from the level II candidates which were accessing their provision on a sub-contracted basis. In some cases statutory requirements, particularly health and safety, were not understood by the trainees and the independent FE college found itself treading 'a fine line between not being negative about other places and keeping our own standards'. The same centre had been approached by 'broad-based private training providers doing it for the money' asking to sub-contract training to them if they got approved for the relevant awards i.e. buying in the training expertise. The centre had refused as it 'wasn't convinced they were getting the right sort of person to do the job'.

One of the centres which relied heavily on LEC funded contracts spontaneously denied any lack of quality amongst its staff and vigorously defended them. Rather it blamed the product: 'If you're

delivering a poor product, that's perceived as being poor, then you must be poor with it. And it's very far from the truth. We've got highly, highly skilled staff, doing a great job, but they devalue it because of the paperwork'.

Frustration existed over seedcorn money that was put in by one LEC to allow trainers in its area to achieve a level III SVQ in Training and Development and then promptly withdrew the funding when it was independently evaluated as being a success.

The rationale was that by funding it the first time they had stimulated the market and the interest and therefore there was no need [to continue]..... At the end of the day they were set up to support what's going on locally, and they understand, if you've got well-trained individuals in Training and Development you will have much better delivery. And the second they have that they just withdraw all the funding.

Apart from the issue of the standard of trainers, the private training providers all seemed to recognise what one described as 'the inherent conflict between quality and numbers'. One talked specifically of the 'conflict between the philosophy of VQs and numbers'. Two of the centres interviewed, one from each category, argued that in order to deliver VQs as they were intended to be delivered, the time limits imposed by the funding regimes would have to be removed. As one of the larger LEC-funded centres recognised 'without that pressure the VQs could be more candidate-led but we would have to double our staff'. Another centre put the argument more forcefully:

You have to take this time limit off the VQs; they were planned not to have time limits for a very, very good reason..... If you go into a company and do further training with staff to come up with a proper strategy for them which might include all sorts of different things, including a lot of non-certificated training; then the package should be introduced as a case that suits that organisation so that the VQ does its job as a tool for that organisation..... We're ramming these VQs in in this time limit and people are sitting there with qualifications and they have no idea what they're qualified in. The longer we allow this to continue, the worse the perception becomes and the more that bad perception is reinforced because that's actually what's happening. We need to stop it and we need to get some good VQ information and use it as a marketing tool because VQs will sell themselves. I feel really, really strongly about this.

One of the quality assurance tools for LEC-funded provision (discussed in Chapter 3) is the Scottish Quality Management System (SQMS). In discussions about the implementation of this tool one interviewee asked 'Do you know that there's no budget for quality assuring vocational qualifications? There's not one single penny of a budget for SQMS'. Poor quality provision was blamed on the lack of implementation of SQMS and LECs not being prepared to enforce minimum standards. The absence of a budget for SQMS was also blamed for the fact that the LEC in question was perceived as not encouraging employers to become approved centres themselves (and pushing them in the direction of the local FE colleges) so that they would not have to put them through SQMS.

The LECs were seen as neglecting their quality assurance duties and preferring to put resources into the promotion of IIP (Investors in People):

IIP, although it's an interesting tool doesn't quality assure the provision of vocational education and training. It just makes people think about how they target their training budget on what they're getting for their money. Even if you go for IIP and you perform around that quality loop, when you go out there to buy that training for your workforce you're going out into a world where what you're buying isn't quality assured. So it would help IIP if what people were buying out there had some kitemark on it that was worth something.

An example of the potentially negative impact which scrimping on quality assurance budgets could have was given by another centre which claimed that a single, poor quality centre had 'almost single-handedly destroyed the credibility of management qualifications in the Highlands and Islands region' by winning a large contract which had been put out to tender and deploying very poor quality assessors. This was perceived as bad management by the agency concerned. Other examples were given of centres continuing to function and carrying out fraudulent practice despite having failed to pass an SQMS audit. On the other hand, one of the largely LEC funded centres claimed that there was absolutely no possibility of fraud given the number of audits to which they were subjected.

However, during the course of the workshop one of the LEC representatives admitted that there were insufficient LEC resources to thoroughly monitor the quality of training provision. In her LEC, SQMS audits had been contracted out 'because LEC staff couldn't do it well' and she felt that private training providers now got better support as a result.

The workshop participants acknowledged that private training providers needed more support and that, in recognition of the danger of fraud, more thorough monitoring of claims to LECs is required. However they were strongly of the opinion that another audit in addition to SQMs was not required. They would prefer to see a fine-tuning of SQMs criteria.

As can be seen from the above, the interviews with private training providers threw up a number of quality-related issues including:

- the quality of trainers
- the quality of LEC staff
- agencies' resources being misdirected towards increasing the number of private training providers rather than investing in improving the existing ones, including the proper implementation of SQMS
- inadequate funding leading to low pay for staff leading to the employment of poor quality trainers
- too much staff time requiring to be spent on paperwork
- the concern over numerical targets
- the financial requirement for trainees to gain an award within a limited time period.

No one of these predominates over the others but there is an inter-relationship between many of them which suggests that any recommendations for taking action to improve quality should be holistic, rather than attempting to address any one of them as a unique problem.

It is interesting to note that there is some correlation between these findings and the recommendations contained within the Channel 4 enquiry (Dispatches, 1993: 43). The enquiry also raised the issue of quality assurance in a system in which teaching and assessment are carried out by the same institution which is then partly paid by results. It recommends that examining for award purposes should be independent of teaching.

The enquiry also raises concerns, as this research does, about the lack of appropriate back-up and training for teachers and trainers.

5.6 COMMENTS ON AWARDING BODIES

The majority of comments on the work of awarding bodies (particularly SQA which was the awarding body with which these centres were most involved) was to do with the quality of external verification. These comments ranged from what one centre described as 'fairly frequent concern over the consistency of external verifiers' suggestions and decisions' to the suggestion that 'they need to dump all those external verifiers that are academics; they have got to get rid of them. That is a huge cause of the problem that we have.'

There was a very strong feeling that many of the external verifiers had no understanding of the workplace and were encouraging centres to take an academic approach. What should have been happening was 'to get people from industry to look at what's happening in industry and to monitor the qualifications within industry'. Two of the LEC-funded centres perceived SQA as existing in an ivory tower and being too college and school orientated, whilst City & Guilds was seen as being more practical with minimal paperwork and light verification. There appeared to be a lack of consistency in the type and quantity of assessment evidence and recording mechanisms required; and it was felt that some external verifiers tried to re-assess the candidates.

The problem of academic external verifiers was considered to be exacerbated by the problem of poor quality training:

I think one of the problems with the verifiers though is that it's the awarding body trying to use the external verifier to shore up the lack of quality in delivery so again they're treating the symptoms and not the actual cause of the disease. Because the trainers on the ground are poor quality they are training only in outcomes, you get poor quality work for what you should see for a VQ. And then you have the external verifiers coming in and trying to shore up, from their experience, on a sort of academic side and you've got all the external verifiers running around and trying to make the VQ more academic. But they're treating the symptoms and they need to go right to the cause of that and have people who really understand the standards. I mean it's not immensely difficult to get people to understand standards. Five minutes with somebody who understands them, can show somebody else how they actually work and how to read them and how to take them apart. But that doesn't happen.

The awarding bodies were also seen as giving approval to centres too easily (specifically in the context of Customer Services awards). It was

not the SVQs themselves that were criticised but the lack of stringent controls over who delivered them and how:

SQA have only themselves to blame. The product is actually very good, but it's in the hands of untrained operators..... Here are our people, who are the most valuable asset any organisation has, and you say 'we've got a trainer here who has no training qualification, no continuing professional development or anything like that, and we'll just let them loose on your human resources.

On a more positive note, the independent FE college, which had felt so badly let down by its local LEC considered that it had received 'an awful lot of support from SQA'.

5.7 COMMENTS ON SVQS

Comments from the consultancies on the design and content of SVQs were largely favourable:

I think the VQs are excellent - I've got two myself; an excellent learning experience.

VQs market themselves.

Modern Apprenticeships are a wonderful developmental tool for young people.

The other centres spoke less convincingly of them while focussing on their implementation rather than their content:

The SVQ system is so unwieldy to operate that it puts the students off when they're actually in the workplace. The theory behind it is fine, but they take 18 months to complete work which could have been done easily in an academic year.

Young people trying to achieve level III have difficulty because the content of their job doesn't provide them with the opportunity to gather appropriate evidence. There's an intermediate stage missing - level 2.5.

Once candidates are into work VQs become less important. Our main reason for drop-out (from Training for Work) is because trainees have found jobs.

Although the consultancies spoke well of SVQs, they also had firm ideas of how they should be used:

If I had my way I would take vocational qualifications away from 16-18 year olds unless they were in a position within an organisation that actively encouraged (them) and the organisation was committed to vocational qualifications and a work-related qualification. One of the challenges is that if an organisation takes on a Skillseeker to do a level II VQ, then these are qualifications written by industry for the workplace. So how can you justify having the only person in the workplace who's performing to that standard being the 16-18 year old who's just come in? It doesn't make sense..... Why do we have to keep being driven along a vocational qualification route? Let's look at work related qualifications for 16 year olds to prepare them for the workplace; unless it's a Modern Apprenticeship where they're doing engineering or something like that which is applicable to what's going on within their workplace. But if you're taking 16-18 year olds who are doing administration or information technology or whatever, take them in to give them the knowledge and understanding, be it their last year in school or their first year out employed, then, if the organisation is committed to vocational qualifications, only then look at it as a business tool, not as an individual development tool where they don't even perform wholly around what's within the VQ.

This viewpoint concords with those of Evans et al which suggest that:

If the problems of inferior status narrow progression and inability to move freely back into full-time education are to be tacked all will depend on the rapidity of progress towards a unified system which values work-based learning as well as traditional academic expertise. (1997: 44)

In line with the feeling from the two consultancy centres that SVQs, good though they were, were not necessarily being used to best advantage for individuals and companies, there was also a feeling that the developmental potential of the awards was not being realised:

People forget that every VQ has built into it that stretching bit, the development bit. I say this to people and they look at me as if I'm insane. In the 1970s when people were training for the skills shortages, that was one of the things they left out. That's why it's in VQs. Because in the '70s people were just trained for the skills they needed then and 2 years down the line their skills were out-of-date. And they built that development bit into the VQs. All the people we train we say to them, of course there's this development bit, the stretching bit and they say 'Where's that then?'. But of course if you don't understand the standards how can you see it? And if you can't see it how can you train it in? So how are you equipping the workforce for the Millennium? You're not. I think you need to get back to basics. You need to look at what VQs were for in the first place: to meet employers' needs. And if they're to meet employers' needs how are they going to do that? They do it in the workplace through developing staff. It is not about someone coming out of a training situation having done a year of a vocational qualification.

5.8 PERCEPTIONS OF EMPLOYERS

Comments on the involvement of employers in the delivery of SVQs suggested that there was still a lot of marketing and educational work to be done. As one of the LEC-funded organisations stated:

There's still a lot of work to be done on convincing employers. If people don't understand what a VQ is, how the hell are they going to understand what an NVQ is? Who is NCVQ? What's the difference between an NVQ and an SVQ? And along comes GNVQs and pre-VQs and pre-vocational training. How have employers got time for all this? We need more clarity and less jargon. The VQ needs to retain focus but to be integrated into the whole job role..... We're also going into the workplace to do assessment because sometimes the company doesn't have a

registered assessor. So we have to go in as the assessor, with another member of staff as the internal verifier; but that's affecting the relationship between the young person and the company.

Another LEC-funded centre described employers as the 'least knowledgeable and most dismissive' of SVQs and stated that national and regional agencies should continue to drive the message home to them. The third of the LEC-funded organisations confirmed that 'employers are not necessarily interested in VQs' and therefore it did not consider its approved status aided their efforts to win more corporate work. (This is in direct contrast to the earlier statement by one of the consultants that it enhanced their work with companies.) There were also grumbles that 'employers still see VQs as something that's introduced via youth training; they still refer to youth training'.

When asked if there were any recent initiatives which had been particularly beneficial in supporting the introduction of SVQs, one of the consultants spoke highly of the project 'Skills for Small Businesses'. As some of the interviewees themselves had suggested, this was an initiative which began with providing support (specifically to SMEs experiencing rapid growth) in the form of training needs analyses to identify which competence-based qualifications would be appropriate for different members of the workforce. This appeared to be more acceptable to employers as it was perceived as support rather than someone trying to sell them SVQs. This was considered particularly so as 'SVQs are very difficult for traditional employers to accept'. This initiative also tried to overcome what the LEC considered to be the

'simplistic' literature produced by SQA which 'overstresses the bit that hard-nosed employers are least interested in i.e. the SVQ as a wider developmental tool'. It also found itself compensating for SQA's approach which it felt was 'aimed at large companies with HRD capability'.

In some LEC areas, employers appeared to be discouraged from becoming directly involved themselves in delivering SVQs and were not provided with the information required for them to be fully informed of the role they might play if a member of staff was working towards an award. However this appeared to vary between regions, depending on relations between LECs and their local FE colleges. In one region where the college was described by a member of the LEC staff as 'a bit of a joke' there was much more effort by the LEC to work with employers and private training providers than in regions where the colleges were more highly regarded. In the latter situation, LECs were perceived as deliberately directing employers towards the local FE colleges, to the detriment of private training providers.

Employers who wished to take a more strategic approach to human resource development, rather than be driven by vocational qualifications, were seen as coming off rather badly in some LEC regions:

It's the LEC that owns the VQs and they've got them at every turn..... the organisation may say they're not particularly keen on VQs at this stage, but they're maybe wanting to look at training more geared towards providing knowledge and understanding and the application of that knowledge and

understanding. They won't even be considered for funding unless written into that contract is the certification aspect of it.

This type of approach is in sharp contrast to that being adopted by Skills for Small Businesses which was prepared to take the longer term view and invest in the company as a whole, without expecting any initial commitment to certificated training.

5.9 PROPOSED EXPANSION

None of the interviewees seemed particularly surprised to learn that all of the questionnaire respondents expected to expand during the coming 3 years. However, when asked to give their views on where the new candidates would come from, their responses varied. Of the two LEC funded centres which stated that they expected to expand into the corporate market, one stated that it was imperative that it did 'otherwise we will be out of business'. The third LEC funded centre, which was intending to expand into additional occupational sectors considered that 'private training providers generally have spare capacity' and admitted that their own numbers of trainees were restricted by the local LEC.

Yet again, the two private training providers who regarded themselves as consultancies approached the question from a different angle. One considered that there was not really room for expansion and that such aspirations on the part of private training providers 'smacks of a lack of strategic planning'. This was particularly so since all of the private training providers who were considering moving into new levels of

awards were looking to move into the higher levels, not down to the lower ones. This consultancy was of the opinion that the market at the higher levels of SVQs was 'unimaginably small' and that it was not economic to pursue opportunities where there might only be one or two candidates interested. They also considered that a lack of market research and inaccessibility of reliable labour market data might be misleading some private training providers into thinking that opportunities for further expansion existed.

The second consultancy responded in a way which suggested that the motivation for expansion was purely financially-driven, with no regard for quality of delivery:

The funding activity encourages you to look at level III. The funding is higher at level III. With the onset of Modern Apprenticeships there are megabucks for Modern Apprenticeships compared to other awards - £3,500 for a level III and £7,000 for a Modern Apprenticeship. It's a big difference. Plus the fact that the LECs will support them because they're falling short with the National Education and Training Targets at levels III and IV. So how do they do that? They start pumping money in by raising the value of the VQ - the monetary value of the VQ. So all of a sudden these providers say we're going to be looking at the level III and the level IV - and you'd better believe it - people who can hardly achieve the level II start getting shoved along the route to level III and then you start devaluing the whole qualification at level III. It's a vicious circle because it's money. Your report frightened me to death. Because I've had just about every training provider in Scotland on my courses and most of them, there's always an exception, most of them are struggling with what they're doing with level II as far as knowledge and understanding are concerned. How the hell are they going to manage at level III?

And so, while the LEC funded private training providers looked hopefully at expanding into the commercial market and the higher level

SVQs, the consultancy firms, who have several years experience of operating in these markets are sceptical both of their motivation and capacity to do so successfully, and of the reliability of the management information which tells them that such a market opportunity exists.

5.10 PRIVATE TRAINING PROVIDERS RELATIONSHIP TO GOVERNMENT-CONTROLLED FURTHER EDUCATION

While the independent FE college stated that it felt it was regarded with 'great suspicion' by state-funded FE colleges, the converse also appeared to be true. The suspicion focussed largely on the two areas of funding and quality of provision.

In general, FE colleges were perceived as being double-funded. That is, they received money from central government according to the current funding methodology based on Student Units of Measurement (SUMs) and then they received money from the LECs for running government-funded training programmes such as Skillseekers and Training for Work or from the EU. Apart from making the private training providers feel like the poor relation, this additional money was believed to be being used to disadvantage the private training providers' ability to attract business:

The other aggravation is that the colleges are giving kick-backs to companies and I know for a fact that we've lost a company with two Modern Apprenticeships because the college is giving them back £1500. So you go to the college and say that you want to do a Modern Apprenticeship. They say 'Come on our programme; here's £1500'. They come to me and I say 'It's going to cost xxxxx. Who would you pick?'

The colleges' favourable financial position was also felt by one interviewee to allow them to lower their entry requirements and therefore attract more young people on to their training programmes. In contrast, the output-related funding regime had caused the LEC funded private training providers to become increasingly selective as they 'can only afford to take trainees who will make recognisable achievements'.

The words 'uneven playing field' were used regularly, both in relation to the above and in relation to the LECs which overtly favour their local FE colleges, to the point of refusing to allow employers which they are funding to contract with any private training providers, regardless of their level of expertise in the occupational sector in question. In other words, employers would get funding from the LECs only if they used a college to deliver the training, not if they used an approved private training provider in the local area. The fact that the colleges then often sub-contract the work to a local private training provider does not seem to be an issue for the LECs which followed this policy.

The second major point perceived to act in favour of FE colleges and against the private training providers was in the area of assessment:

Why should colleges be allowed to deliver VQs when it's totally college-based? When we're not allowed, either from the awarding body or from the LEC; it must be work-based. I've got no kids working in here on a VQ who are not tied into a company. Employers are either sponsoring them, employing them or they are in some way getting real, live experience in-company. Now you can argue whether it's true or not. The aggravation is that the college can deliver solely in-house.

This grievance was taken up by another of the interviewees:

They learn the standards of that workplace and how it operates and all its systems and procedures in the college? I don't think so! Our local college has 30-40 Skillseekers; they're not allowed to do any assessment in the workplace. It all has to be done in the classroom situation and that is the norm across everyone of the colleges that has Skillseekers..... say a personnel manager's got a Skillseeker that's doing administration - there's no assessment allowed with that Personnel department. They have to come out of there and go to the classroom to do their assessment..... It's to do with keeping control; they don't want to see anyone who's non-lecturing status having carried out assessments. It's absolute nonsense. It shows that they don't understand vocational qualifications. An external verifier said to me the other day that SQA is seriously considering making SVQs in colleges two-year courses!

Any attempt to suggest that colleges may be able to simulate the working environment was unacceptable:

..... I'm sick of hearing 'realistic working environment'; I'm sick of hearing about simulated offices. They don't work. It's just a method that's used to get bums on seats to achieve targets.

And so the private training providers feel themselves to be working under more constrained conditions than their competitors in the state sector. This however is not always a disadvantage as the owner of the independent FE college pointed out:

When I advertised for a Director of Studies all six applicants were from staff of FE colleges desperate to get out. Two of them were Heads of Department from two of the larger colleges. Some of our lecturing staff are part-time and also work in state FE colleges. They are asked continually about what we're doing here. They tell the state college staff that we have staff meetings where people actually talk without inhibition. We don't have hundreds of departments, we just get on with doing the job.

5.11 TRANSITION ISSUES

In general, the interviewees had little to add to their responses in the questionnaire on the issue of progression from level II to level III. There seemed to be agreement amongst all types of centres that candidates often chose to do a level II qualification because of a lack of confidence and that the move from level II to level III could be very difficult. This was due to it being a quite different qualification with a much higher management content.

Whilst this favoured the number of enrolments at level II, there was also a factor which militated very much in favour of level III enrolments. This was a recent change in the funding mechanism which is explained by one of the LEC funded centres:

In the past one used to be able to bring a young person in at level II, knowing he was bright, I'm just going to say the words, give him a level II and then move him up to III within a year or 18 months rather than the nominal 2 years. One received money for bringing them in, training them up to II and then an output on the II. You moved them on to III, got money for transferring them on to III, money for training them and output. The debate (in the LECs) was 'Will we take the II (funding) from the III or will we give you the level II and the level III money?' If they gave us the level II and the level III we were laughing..... So it was swings and roundabouts and we re-evaluated it all and tried to put in differential training rates, but they wouldn't have it. Now along comes the LEC and says to you 'You've got to identify them as straight level III or straight level II, no more moving up'. So we didn't have much choice. It could be argued that we did it for the money, I'm sure that quite a few of them did, but we tended to look at it that the kid's terrified, very nervous. Let him win something and get accredited and then go for III. So (now) the young person comes straight in at III or straight in at II.

This change in funding potentially impacts in a number of ways. Firstly, it removes the possibility of funding for the young person who has started off at level II but wishes to, and has the potential to, progress. Secondly, it therefore encourages some young people, where there is an element of choice, to opt for the level III award rather than forfeit the opportunity to take it at all. Thirdly, it raises the danger of centres which are under financial pressure pushing young people and their own staff into level III awards when they are not adequately prepared. Finally, it suppresses the progression rates by forcing young people to opt for one or other level.

As the same centre pointed out, 'Modern Apprenticeships are highly regarded because of the name' and, since these are linked to level III, further pressure may be felt by those young people with a choice, to opt for the higher level of award.

One of the consultancies felt that progression rates might also be adversely affected by the training they receive at the lower levels:

The trainers are poor and therefore the trainees' experience of education and training is not as positive as it might be. That leaves the trainees with a poor experience, with a poor impression, and therefore a lack of interest in progressing on to the next stage or doing more than is absolutely essential.

The potential number of level III enrolments may therefore be suppressed due to young people with potential either not getting the opportunity to progress or finding themselves launching straight into a

level III, possibly with poor quality or inexperienced trainers, without the preparation which a level II would have afforded.

5.12 FUNDING

Issues of funding have impacted on virtually all of the topics discussed in this chapter so far. However there was very little direct comment on the funding rates for trainees; less than might have been expected from funding's prominence in the completed questionnaires as a reason for low enrolments. When the question was raised of different funding regimes between LECs it was described by one LEC-funded centre as 'not a massive problem'. However it went on to point out later in the same interview that the variation can be by as much as 50% per trainee. Meanwhile European projects were described as 'very ill-fitting' and really only suitable for funding access courses - the funding period was generally too short for a complete VQ to be achieved.

There was a feeling in one of the consultancies that 'LECs may be trying to drive down costs, although it doesn't affect us, but some companies have been living off LEC funds for too long'. This was a criticism of those centres in the other category, which depended heavily on LEC contracts and which were now seeking to become more commercial with, possibly in some cases, inadequate resources.

Funding is therefore not a simple issue. It impacts not just on the income of centres dependent on LEC funding, but also on the quality of

trainers in centres, the quality assurance of approved centres, the relationship between private training providers and FE, the take up by employers and their choice of training provider, the transition rate from level II to III and beyond and, very importantly, the quality of the relationship between LECs and private training providers.

5.13 FEEDBACK ON THE NATIONAL EDUCATION AND TRAINING TARGETS

Whilst most of the interviewees recognised that the LECs had targets to reach, only the two consultancy firms were fully aware of the National Education and Training Targets. One of them described them as 'the worst thing that ever happened to SVQs'. (This view was informally endorsed by a senior member of staff of one of the awarding bodies). The perception was that the SVQ philosophy and approach, generally regarded by the private training providers as worthy, have become the victims of a game of numbers, with the drive to reach the Targets taking precedence over the quality of training and the needs of employers and trainees. As one centre commented:

It's only a numbers game; it's nothing to do with raising quality or skill levels. It's about the LECs meeting their targets and nothing else. Yet if it's done properly, albeit slowly and in small numbers to begin with, it would grow itself. People would say 'This is a good thing; I want this'. It's so easy to get it right. It takes much more effort to get it wrong.

But time is not something that those who set the LEC targets have allowed. The National Targets have to be met by the Year 2000 in

order for the present Government, which has committed to them, to claim success.

5.14 PRIVATE TRAINING PROVIDERS AS A NETWORK

Given the volume of training activity undertaken by private training providers and the resources which the awarding bodies and the LECs put into working with them, it would not be unreasonable to assume that they could create a strong lobby with which to influence national and regional agencies. Such an assumption would be very far from the truth. Partly because the sector is made up of predominantly very small organisations and partly because they see themselves as being in competition with each other in a very hostile operating environment, there are very low levels of co-operation amongst them. Where they did co-operate to any extent, it was inclined to be very functional, such as sub-contracting training.

For several years now private providers have had regional representational organisations and a national representational organisation (Scottish Training Federation). However, these have been established with the help of the LECs and the national agencies and are therefore seen as being compromised in lobbying on behalf of the private training providers, against the very agencies which founded them. At least one national agency was reported as having actively discouraged representational organisations from lobbying. The representational organisations provide information, but members are

cautious about airing issues in front of each other because they are competing in the same market.

While some centres found the networking which these organisations can provide 'useful as a support mechanism in the early days' there appeared to be little enthusiasm from the long-established centres for being actively involved. One centre which had made attempts to network admitted that 'it has collapsed - we didn't have enough in common'.

Issues which arose during the interviews which the centres were dissatisfied with but felt unable to influence included:

- the short-term nature of the LEC contracts, which severely inhibited long-term planning and led to unnecessary redundancies and high staff turnover;
- the inconsistency of external verifier decisions, where the existing mechanism of an evaluation questionnaire was not found to be easy to use and there was a reluctance to 'make too many waves'.

Even so, by acting alone, the private providers felt that 'they were not in a strong negotiating position' and the specific experience of one of the consultancies endorsed this view of helplessness on the part of individual centres:

When we challenged a very minor thing we got a 3-page vitriolic reply with copies to our 2 largest customers. We're not in a position to challenge the LEC, absolutely not! If you're dealing with the LEC you have no chance, they just close ranks. They are in no way accountable to anybody and that's your problem with VQs. You are depending on an unaccountable organisation. Even though HIE or SEN stated what they considered the correct strategy to be for a particular LEC, the LEC has total autonomy. There is no one in HIE or SEN who takes responsibility for any rogue LECs.

It was also felt by one interviewee that private training providers are badly represented at SQA where 'small organisations don't have enough clout'. This compares poorly with other types of education and training provider, FE colleges, schools, universities and employers, which are all represented on the SQA Board and relevant committees. Rather than pursue representation through local networks, one of the consultancies used the Institute of Personnel & Development as a networking and representational facility.

Participants at the workshop confirmed that private training providers 'don't have clout'. They expressed a need for a national forum with local chapters to replace the existing fragmented network activities which currently exist in some regions. There was a reluctance to involve LECs in a position of power in any of these new fora in case they compromised the independence of the fora. However it was acknowledged that in order to influence them, the fora would need to talk to the LECs.

The workshop participants identified the role of this national plus regional structure as being to:

- promote the role of private training providers to all interested parties, including LECs
- identify the place of private training providers within the national training infrastructure
- give private training provides a political voice and some power for negotiation
- be involved in quality assurance and thereby become self-regulating as a sector

The conclusion has to be drawn that private training providers currently feel very isolated both from each other and from state-funded training providers. They are subject to the whims of national and regional policy-makers without any means of having their voice heard and fear retribution if they attempt to do so. For the majority who are not part of a national training company, this could be a very demoralising climate in which to work.

5.15 IMPACT OF THE NEW DEAL

Although 2-3 months had elapsed between the time of the completed questionnaires being returned and the interviews taking place, there was very little further information volunteered regarding the likely impact of the Government's New Deal programme. That which there was

came entirely from those centres which were heavily dependent on LEC contracts.

One centre, which considered that Training for Work was a very successful programme, was very dismissive of the New Deal, describing it as 're-inventing the wheel' and merely a 're-branding' of previous Government initiatives. The same centre was opposed to it being run by the Employment Service rather than the LEC and their experience of it so far had been very negative with paperwork going missing. Even in this area of high unemployment the centre considered that 'adults for New Deal are non-existent'.

A concern by another centre was that having had 90% of their trainees in employed status, it would now be returning to a situation where people of trainee status predominated. This was felt to adversely affect the commitment of trainees to the training programme. The New Deal was perceived as 'not VQ-based really' and so, while affecting the profile of trainees for which these centres catered, would not actually affect the quality of their SVQ delivery.

5.16 STRENGTHS OF THE PRIVATE TRAINING PROVIDERS

The independent FE college free, as it saw it, of the shackles of government funding of any form, expressed at several stages during the interview, what it saw as the advantages of being a private training provider. This was the only centre to do so.

First of all, it considered that:

because we were very small we could actually provide quite a good source of SVQ training we know exactly what the employers want we have small classes and dedicated staff.

They felt that their small size was a definite bonus:

Of all the training providers, the smaller ones can be the most flexible because we can actually match up what everybody needs and provide a class for that.

It took pleasure, as did one of the consultancies, in occasionally being able to offer free places on training programmes to what it perceived as particularly deserving cases, such as single mothers on income support. It was also, as it described it, 'almost developing a specialism' in taking direct-entry students into the second year of the training programme, if they already had a lot of experience. The centre obviously derived a lot of satisfaction from being able to make these decisions and to take initiatives as an independent organisation, untrammelled by funding body regulations. It also was congruent with the statements of the consultancy reported earlier that it could 'define the rules' and be 'in the driving seat'.

5.17 CONCLUSIONS ON INTERVIEWS OF PRIVATE TRAINING PROVIDERS

In addition to raising issues to explore with national and regional agencies, the interviews with the private training providers brought to light information about them which helps our understanding of how they operate and how their potential might be best utilised.

The first of these is the fact that two distinct types of private training provider appear to exist, each of which has specific characteristics. The provider which is predominantly LEC-funded is generally larger, covers a number of occupational sectors and its relationship with employers is as a Government-subsidised training resource. It carries out the brief it is given, reacts and is resigned to LEC policies. Its contracts are subject to annual negotiation, it lacks flexibility and is anxious to expand (in order to survive) into work which is not LEC funded.

The second type of centre, that which is not dependent upon LEC funding, is generally more proactive and has a greater sense of self-direction. Its relationship with employers is as a contractor offering a range of services. It is more likely to challenge LEC policies and decisions and to refuse to accept contracts which do not accord with its company policy. It has a particular concern for training being preceded by training needs analyses and for the training to be of high quality. It would prefer to see public resources being used to improve existing centres rather than an increase in the number of private training centres. It sees itself as likely to expand within the next three years, but only modestly.

The danger of treating these two types of centre as one homogenous whole is therefore to overlook the strengths of the second type whilst focussing on the apparent spare capacity available in the first.

The second issue to arise is the question of whether an increase in the size of centre inevitably leads to a decrease in the quality of the provision. Centres not predominantly funded by LECs expressed their reluctance to sub-contract work which they were unable then to directly control. Specialist non-LEC funded centres approached by larger generalist ones to undertake work, refused on the grounds of an uncertainty over the quality of the total programme and of the trainees they would be receiving.

Thirdly, the treatment of private training providers by LECs appeared to be determined, at least to some extent, by the perceived quality of the local state-funded FE college(s). This suggests that private training providers are seen as a second choice when the colleges are not considered by the LEC to be performing adequately, rather than as an equal competitor for contracts. However, LECs and at least one national agency, are also using what they consider to be the better quality private training providers to provide training for the others and for their own staff.

In some cases, LECs and the SQA appear to be adopting and implementing policies which support the drive towards Targets but which militate against quality provision. If as the interviews suggested the aim is to raise the numbers of enrolments and the quality simultaneously then it seems that current national and regional policies will not support that. For example, the current lack of funding for progression from level II to level III militates against enrolments being increased whilst, at the same time, lack

of funding for the effective operation of SQMS and support for training of trainers has a detrimental effect on the quality of the provision which does take place. The imposition of time limits on SVQs also has an adverse effect on quality and, in a more general way, the lack of a formal and independent communications link between agencies and private training providers prevents agencies from hearing the concerns and views of private training providers in relation to both volume of enrolments and quality of provision.

The conclusion at this stage in the research therefore has to be that increased utilisation of the private training providers would, without policy changes, almost inevitably be at the expense of quality and therefore educationally unacceptable. Indeed, even continuing with enrolments from private training providers at the present rate has some serious quality flaws, only some of which are beginning to be addressed. The most serious of these, and one which is fundamental to high-quality provision, is the competence of the trainers being used by private training providers. Even if other quality issues were addressed, their success would be undermined if the trainers who undertake the training and assessment are unequal to the job. If resources to improve the current situation are restricted then those which are available would be most effectively used if they improved the quality of these key personnel.

5.18 PLANNING FOR INTERVIEWS WITH NATIONAL AND REGIONAL AGENCIES

Some of the statements by the private training providers clearly derived from their perception of national and regional policy and practice. It is therefore thought important to follow up the issues which they raise with the agencies. In particular, the following issues were identified as needing further exploration:

- what, if any, are the advantages to having private training providers?
- in the contexts of expansion and of quality, what are the weaknesses and the strengths of private training providers?
- policy on the growth in numbers of private training providers;
- what specific steps are the agencies taking to reach the Targets and do these acknowledge the contribution of private training providers?
- the relative financial advantages of the state-funded colleges and accusations of 'kick-backs' and double funding;
- the operational advantages of the state-funded colleges, with particular reference to college-based assessment;
- the perception/desirability of the private training providers as a lobbying group;

- **policy on the enforcement of SQMS audits;**
- **policy in the event of a private training provider failing to meet the criteria of SQMS;**
- **response to the accusation of overly academic external verifiers with no understanding of the workplace;**
- **response to the accusation of insufficient possession of training credentials by staff of private training providers;**
- **appropriateness of SVQs for the 16-18 year old age group;**
- **views on lack of progression from level II to level III and the extent to which funding methodology impacts on that;**
- **what pressures do the national and regional agencies consider themselves to be under in relation to the 'inherent conflict' between quality and the needs of employers and trainees'.**

The interviews which were undertaken to explore these issues are discussed in the following chapter.

CHAPTER 6 - INTERVIEWS WITH NATIONAL AND REGIONAL AGENCIES

6.1 BACKGROUND

The process for selecting interviewees from national and regional agencies was straightforward, given the small number of relevant agencies. Senior personnel whose work related to the Targets were approached at:

- **Scottish Enterprise National**
- **Highlands & Islands Enterprise**
- **The Scottish Qualifications Authority (SQA)**
- **Ross and Cromarty Enterprise**
- **Grampian Enterprise Ltd**

and all agreed to be interviewed. Arrangements for these interviews were made following the same pattern as had been done for the private training providers. The Scottish Training Federation, which purports to represent private training providers in the Scottish Enterprise network, was also approached for an interview but preferred instead to provide a written response to the questions posed in the interview sheet. In the event, no written response was forthcoming.

The interviews were semi-structured, the interviewees having been sent in advance a summary of the research to date and a list of the issues referred to in section 5.17 above. All, bar one of the LEC interviews, were conducted face-to-face. The remaining one was conducted by telephone. Some of the interviewees had used the material they had been sent to consult with colleagues prior to the interview to ensure that a corporate view was being put forward; in other cases the views were more personal. All bar one of the LEC interviewees supplemented the information given orally with in-company documentation which gave a fuller picture of current policy and practice or future intentions.

6.2 VIEWS ON PRIVATE TRAINING PROVIDERS

The two regional agencies, i.e. the two LECs, had broadly similar views of private training providers. That is, they saw them as necessary in order to provide workplace training which FE colleges are reluctant to undertake. Colleges were regarded as expensive, as moving away from SVQs towards GSVQs and seen to be relying heavily on realistic working environments to undertake training and assessment. As a result, private training providers are extensively used by the LECs 'to get the coverage they need' (particularly in rural areas), and in one of the LECs staff were 'still trying to encourage new assessment centres' to come forward to offer SVQs.

This view was shared by the HIE interviewee who gave examples of FE colleges which were offering only one or two SVQs, generally in-house.

He agreed that colleges are 'not good at outreach or working at a distance, because the small numbers are not viable'. He considered that 'colleges can't divorce training and assessment, and private training providers are better placed to take the latter'. He stated that 'companies are looking for a partnership which will deliver nationally-recognised awards, and colleges "don't want to know"'.

The SQA interviewee also viewed the private training providers as being more flexible than colleges, and more focused through having a definitive market and portfolio of awards. They had often set up a good network with employers and could cater for smaller groups. The SQA interviewee also pointed out that 55% of enrolments for SVQs now come from centres other than FE colleges. Previously, FE colleges had been responsible for at least 50% of enrolments and, as the total number of enrolments is growing, this implies a larger share of a larger market for private training providers and employers. This tallies with the figures given in Chapter 4 which showed that the volume of enrolments from private training providers had increased markedly over a five year period.

The SQA interviewee acknowledged that private training providers were correct in thinking that employers are still poorly-informed about SVQs. Whilst she felt that awareness had improved to an extent, this was not always converting into enrolments. Only in one instance was the accusation by private training providers of an 'uneven playing field' endorsed by one of the agency interviewees. This was an instance

where a particular college was situated in an area which gave it access to EU funds thereby enabling it to offer training leading to Training & Development awards for less than the commercial price.

Whilst the regional agencies had (albeit unwritten) policies regarding private training providers, only HIE did of the national agencies. The HIE interviewee stated that regular up-dating and training events were held for private training providers (which accords with information received in interviews with the private training providers themselves). His opinion was that in the HIE region 'LECs will do everything they can to support private training providers'; a view endorsed by the LEC interviewee from that region who stated that his LEC tried 'to strengthen supply (of training) by private training providers.' Scottish Enterprise's lack of a strategy towards private training providers is exemplified by the fact that it gives advice to LECs on how to work successfully with further education and higher education but gives no advice on how to work with private training providers.

The generally favourable comments on the role of private training providers were in sharp contrast to some of the views that were expressed about the quality of their provision. One of the LEC interviewees described trainers in private training providers as being 'badly prepared, poorly qualified and poorly supported by their management'. In many instances they were seen to be handling large numbers of trainees some of whom, working at a distance, they could only see for an hour each month. The same interviewee agreed with

the finding from the interviews with private training providers, that they generally fell into two categories. In particular, she stated that the 'large, LEC-dependent private training providers are of dubious quality' and that she would like to see her LEC reducing the amount of contracts which these large providers are given because they do not pay their staff adequately and therefore do not attract high quality trainers.

The Scottish Enterprise interviewee endorsed the view that poor pay for trainers results in poor trainers being recruited. She considered that awards for assessors were insufficient and that more demanding qualifications should be required of them. She pointed to Scottish Enterprise's unpublished paper '*Creating Competitive Advantage Through Learning*' as an indication that recognition was growing that proficiency in assessment alone was insufficient and that good training input is necessary to raise the skill levels of Scottish workers. Another disadvantage of being too highly focused on LEC contracts was pointed out by the SQA interviewee. She felt that such concentration could lead to private training providers' knowledge and understanding of the Scottish qualifications framework being poor. That in turn could mean that 'they don't make the best choice for trainees and employers because they don't have the big picture'.

The undesirability of being dependent upon LEC contracts was also commented upon by other interviewees. The other LEC interviewee stated that '90% of private training providers are wholly dependent on

government funding and would fold tomorrow' if they were no longer in receipt of LEC contracts. The HIE interviewee explained that HIE encourages private training providers to expand and to find new markets. He was able to give an example of training for private training providers, funded by the LECs, to enable them to respond to an opportunity for providing training for 1500 new call centre jobs coming into the region.

The Scottish Enterprise interviewee considered that the stronger private training providers, i.e. those which would survive, were those which had grown out of industry associations. While there was no specific evidence to substantiate this view, she considered that these ex-industry associations had a more secure market for their services.

In general, the view from the Scottish Enterprise interviewee was that radical changes were occurring and that 'providers which don't think radically are going to be grossly disadvantaged'. Two particular examples were given. Firstly, private training providers which are heavily reliant on LEC contracts, were unaware, or had taken too long to become aware that the LEC is the customer. She explained that as unemployment fell, the approach to funding has shifted to reflect government's aim to get employers to pay more for training which meets their needs. As a result, LEC payments should be regarded as 'a contribution to the cost of training' rather than being sufficient to cover it entirely. This is in line with the objective of eliminating jobs which have no training element. This approach was endorsed by one of

the LEC interviewees who suggested that private training providers needed help in recognising that 'the funding is a part-payment and needs to be presented differently - to come over more as the responsibility of the employer'. She felt that private training providers would benefit from guidance on how the LEC contribution can be best used.

The second example given by the Scottish Enterprise interviewee was in the area of access to learning. She stated that the government foresaw provision for practical training, under initiatives such as the University for Industry, being based largely in FE. At the same time, 'new technology will allow employers to take responsibility for training their own employees and others'. The implication was that the consequences of these two developments would mean that private training providers would be squeezed out of the market.

Currently under discussion within Scottish Enterprise is an unpublished paper on the human resource development (HRD) 'industry', prepared by external consultants, which comments on the 'requirement to rationalise the current HRD industry and to weed out poor quality suppliers and develop those with potential'. The paper echoes the thoughts expressed by private training providers in the questionnaire survey and interviews when it goes on to say that 'current suppliers have to realise that the LEC network is only one source of income and that they must be prepared to expand their business horizons to survive

and grow'. It suggests that Scottish Enterprise should include within its objectives :

- developing HRD supplier networks and partnerships which would offer a broader choice of quality products and services to the customer;
- developing industry focused suppliers who can provide HRD leadership and guidance for customers;
- developing an HRD industry which is pro-active, commercially aware and less reliant on the Scottish Enterprise Network for business.

The Scottish Enterprise interviewee wanted to see private training providers regarded as part of the HRD industry and therefore to be eligible for business development support. At present, she stated, 'LECs don't see it as their role to support business development for the learning industry'.

This medium to long-term view of rationalising and investing in private training providers contrasts somewhat with current practice in one of the LECs where, in the search for more private training providers with whom to contract, 'the barrel is now being scraped both in size and in quality'. In other words, new private training providers being approved

and contracted are generally of poor quality and are too small to be cost-effective for the awarding bodies to work with.

During the workshop there was general agreement between the LEC representatives and the private training providers present that the latter were insufficiently supported. Both groups felt that increased support need not necessarily mean financial support. They would have liked to see operational and business support introduced and a re-instatement of training of trainers opportunities, which they felt had diminished in recent years.

National and regional agencies had clear views on activities which they considered private training providers should be carrying out. For example, the Scottish Enterprise interviewee wanted to see private training providers being more market-driven and felt that 'they should influence the demand side of the market and support companies to use learning and skills to support business development'. She acknowledged that in many cases private training providers are already more flexible and responsive than their public counterparts but bemoaned their lack of strategic thinking.

On the same theme, one LEC interviewee wanted private training providers to:

- take responsibility for raising awareness amongst employers for the need for training;

- undertake commercial training;
- have the ability and the facilities to form partnerships with employers;
- resist being driven by government programmes.

Apart from the first, this view of the role of private training providers is not dissimilar to the one they see for themselves; their dilemma is how to achieve it within the current environment.

6.3 VIEWS ON LOCAL ENTERPRISE COMPANIES

In the interviews with private training providers, reported in Chapter 5, views were expressed on the quality of the staff of LECs and these were raised with the representatives of national and regional agencies.

The HIE interviewee readily admitted that there is no one in LECs with a training and development background and therefore they can only administer. He described LEC staff as 'under-trained, under-qualified and under experienced'. However, he went on to point out that this problem is now beginning to be acknowledged by LEC chief executives and to be addressed. For example, training workshops are being run for LEC staff, but attendance is not mandatory. Whilst admitting to the private training providers' accusation that within LECs training is 'the poor relation of economic development', he was able to describe initiatives in which skills development is being included as an integral

part of inward investment in the region; thereby giving it a higher profile and more influence in economic development policy.

The Scottish Enterprise interviewee endorsed the view that 'LEC staff are untrained' but suggested that 'some people would say that they don't need to be practitioners'. She also mentioned that a change was occurring in the relationship between Scottish Enterprise and the LECs as the government was committed to shifting power more to the centre. Comments below on the future operation of SQMS could be seen as one example of this shift. It was justified as an attempt to create more 'cohesion in the Scottish Enterprise network'.

One of the LEC interviewees acknowledged the difficulty of poorly-trained LEC staff and was concerned that they were too 'numbers focused'. She suggested that the solution was to second people into the LEC from SQA in order to 'improve quality of provision, improve support for approvals and new initiatives, support the introduction of the Scottish University for Industry and generally help staff to be more proactive'. Rather than looking to create training and development practitioners within the LEC it was looking 'to have staff who have the right answers, rather than staff who have to be trained - to raise quality assurance all round'. This approach is already being used to a very limited extent as SQA and LECs seek to work more closely together.

6.4 VIEWS ON QUALITY ASSURANCE

Various comments, both positive and negative, were made about quality assurance of training providers and trainees' assessments during the interviews with private training providers. The national and regional agencies also had their opinions. One of the LEC interviewees described the quality assurance of SVQs as a 'national scandal' and 'grossly inefficient'. He justified these statements by suggesting that the number of external verifiers is not keeping pace with the increasing number of enrolments. He considered that this led to external verifiers 'auditing' centres rather than 'looking at output'.

The HIE interviewee perceived a difference in approach and in standards between external verifiers who are college employees and those from the workplace. This, he felt, had been apparent for a while amongst the external verifiers responsible for the Training and Development awards. They had been particularly academic and could not adapt to a workplace environment. The second LEC interviewee also perceived a difference in quality between external verifiers employed by awarding bodies on a full-time basis and those employed on a part-time basis. She considered that the former, understandably, had more commitment to the job and therefore carried it out to a higher standard. She also lamented the fact that external verifiers 'don't have enough teeth' and are not sufficiently 'inspectorial'. She would have liked to see 'more thorough and frequent checking' but recognised that for this to happen training providers would be required to pay higher

fees. She had been pleased to see SQA act recently to penalise a particularly poor private training provider, by removing its authorisation to offer SQA awards.

SQA's response to criticisms of the external verification system was to refer to their revised criteria for awarding bodies, drawn up in response to the recommendations of the Beaumont Report. The changes to the criteria will require all SVQ awarding bodies to:

- implement more stringent external quality control over the assessment and verification of SVQs, including the introduction of independent assessment where required by the standards setting body, and a register of external verifiers;
- implement a candidate registration system with a time limit before certification to strengthen quality checks;
- apply specific criteria for the approval of assessment centres, and ensure that only those centres that meet these criteria can submit claims for certificates.

As these criteria are only now about to be introduced, it is not possible to say what differences, in practice, they will give rise to, nor how long it will take for their impact to be felt. However, their very existence is an admission that quality assurance by SVQ awarding bodies lacks rigour. However, as the SQA interviewee admitted, the new measures do not address issues related to the qualifications and experience of trainers

which were raised both by the private providers and by the LEC interviewees.

In addition to the revised criteria, SQA has drawn up guidelines for standards setting bodies. These guidelines put more onus on the standards setting bodies to agree with SQA how the quality assurance functions will be carried out. For example, the standards setting body must:

- recommend how external quality control of assessment will be achieved;
- define which aspects of the standards must always be assessed through performance in the workplace;
- define the extent to which simulated working conditions may be used to assess competence and any characteristics that simulation should have, including definitions of what would constitute a realistic working environment for the qualifications concerned;
- define the occupational expertise requirements for assessors and verifiers in consultation with awarding bodies.

The clear intention is that this dialogue, at the time of validation of a new award, will lay down stricter quality assurance processes than are currently being operated. The concern of the SQA interviewee was that not all of the processes may be realistic or feasible.

However, should more stringent quality assurance procedures be introduced then there will be implications for those private training providers which currently operate on the margins of what could be considered to be acceptable practice. It may also affect the 37 awarding bodies currently offering SVQs if they struggle to accommodate more rigorous quality assurance procedures within a finite budget. They may well seek to pass on the higher costs to training providers by raising enrolment fees.

Private training providers had generally praised the concept and the design of the Scottish Quality Management System, but had been critical of its implementation, particularly what they regarded as its under-funding by LECs. One of the LEC interviewees admitted that the effectiveness and the resourcing of SQMS varies from LEC to LEC and that there appears to be a lack of standardisation between SQMS auditors. She also pointed out that it was ineffective as a tool to pick up poor practice in a centre which predominantly operated with trainees working at a distance from their head office. On the other hand, the HIE interviewee felt that it had been useful in identifying shortcomings in the quality assurance operated by some of the awarding bodies offering SVQs.

Both Scottish Enterprise and HIE had plans for improving the effectiveness of SQMS as a quality assurance tool. They intend jointly to set up an independent unit to carry out SQMS external audits. This is in contrast to the current system, whereby LECs are responsible for

carrying them out, often having their own staff trained as auditors. However, according to the Scottish Enterprise interviewee, they view them purely as a contract requirement. Rather, she suggested, they should be used as a business development framework (in line with her earlier comments about private training providers being part of the HRD industry). The new independent unit will use licensed auditors which, it is expected, will eliminate both the inconsistencies between auditors referred to above, and poor auditors. However, this means that training providers will be charged for the audits - another additional cost. LEC staff who are trained as auditors will still be expected to carry out 'internal' audits but, since their quality seems to be doubted, HIE intends to provide them with additional support to prevent them giving poor advice.

The HIE interviewee recognised that the current funding regime militates against quality of provision but both he and the SQA interviewee were adamant that fraud did not exist to any extent in Scotland, in contrast to the situation in England. However, the HIE interviewee warned that the introduction of New Deal under an inexperienced Employment Agency, was a potential 'minefield'.

Whilst training providers may feel under pressure to minimise quality assurance in the interests of progressing as many trainees as possible towards certification, the SQA interviewee said that, despite the National Education & Training Targets, no such pressure was felt within

SQA which would adversely affect quality assurance procedures from being carried out.

6.5 PROGRESSION FROM LEVEL II TO LEVEL III

When asked about the lack of progression of trainees from level II to level III, some conflicting responses were given by the different agencies. One of the LECs, in whose area there are generally good rates of progression, suggested as the private training providers had done that young people would find it impossible to collect valid evidence for a level III award because of the level of job they were in. She suggested that of those who did, some must be skewing the evidence.

On the other hand, the SQA interviewee said that the suggestion that the supervisory management content of level III awards prevented young people from achieving them, was 'a red herring'. She expanded on this by stating that no level III award containing a management unit had been accredited during the previous four years and firmly reiterated that 'Management is not a pre-requisite of a level III SVQ.' Nor did the SQA interviewee agree with the private provider interviewee who suggested that a level 2.5 SVQ would facilitate progression rates. Rather she felt that the functional analysis upon which the standards were based should put more emphasis on progression, including lateral progression to another level II award or additional units at level II. Whilst this solution would not of course assist efforts to reach the Targets it would retain young people in training. Now that QCA and

SQA have taken over the funding of National Training Organisations (NTOs) for standard setting, there is a greater requirement on NTOs to clarify progression routes both between SVQs and between SVQs and non-SVQs.

Lack of progression was also blamed by the HIE interviewee on the same funding issue which the private training providers had raised. That is the need for the trainee to decide at the outset which level they should enrol for, or risk a funding penalty if they start with one and then wish to transfer or progress. One LEC had overcome this problem by giving sufficient money in the 'top-up' from level II to enable trainees to enrol for an HNC at an FE college. Whilst the 'top-up' was insufficient to fund an SVQ level III, it did cover the costs of an evening class.

Scottish Enterprise, which might have been expected to be the most concerned about progression towards level III, given their interest in the Targets, had little to say on the subject. Their interviewee, besides suggesting that private training providers were often not sufficiently well-resourced to offer level III, thought that the increasing numbers of young people in full-time further education might mean that there was a lack of young people with potential seeking to do a level III SVQ.

6.6 SVQS FOR 16-18 YEAR OLDS

As one of the LEC interviewees pointed out, most private training providers are in the youth market and most are heavily dependent upon LEC contracts. The latter being the case, SVQs are the awards which

they are providing. During the interviews with private training providers the suitability of SVQs for young school-leavers arose and this was raised again with the representatives of national and regional agencies.

The SQA interviewee agreed with the private provider view that SVQs are not ideal for 16-18 year olds and pointed out that this had led to the recommendation in the Beaumont Report that the possibility of progression from GSVQs to SVQs should be investigated. As a result, whilst SQA is not overtly promoting GSVQs over SVQs for this age-group, it claims to be encouraging young people to take GSVQs.

This approach did not seem to have been shared with Scottish Enterprise, whose representative said that, whilst they were open to the idea of more broad-based qualifications, SVQs were still the main measure of progress towards the National Targets 'because they're seen as practical'. This point of view is exemplified by the fact that LECs cannot normally provide funding for the more broad-based GSVQ qualifications according to the HIE interviewee, as these are regarded as part of the mainstream provision.

Whilst this debate continues, at least one of the LECs, and HIE itself, looked for ways around the problem of unsuitability of SVQs for young people. The HIE approach involves identifying SVQs which are particularly difficult for 16 year-olds to achieve because of the level of responsibility involved e.g. Child Care. Its strategy is to offer a two-year training programme in these sectors; the first year being a GSVQ

and the second year an SVQ. In this way, by the time young people come to do an SVQ they are 17 years old and have a good foundation of underpinning knowledge. This type of arrangement, the HIE interviewee pointed out, is consistent with HIE's desire for flexible links between training providers.

One of the LECs on the other hand looked for a solution to the problem which would allow young people to continue to gain SVQs but to do so in a more supportive environment. This LEC recognised that 'SVQs are about assessment of competence and that is not always matched to the training needs of young people'. The interviewee went on to say that:

Success is where the private training provider is working very closely with the young person's supervisor or manager. Poor assessors try to keep supervisors at arms length so their own deficiencies are not seen. Witness testimony and mentoring should be used more. That is the answer, rather than removing SVQs for young people.

Another alternative which was offered by both SQA and one of the LECs was the clustering of units, to make up sub-sets of an SVQ. In this way, young people may be able to be set a more realistic challenge without being daunted by a whole SVQ.

6.7 LOBBYING

The idea of a lobbying group for private training providers met with a mixed response. SQA was quite clear that none existed stating that 'the Scottish Training Federation was not obvious as a lobbying group'.

None of SQA's Board members nor members of its SVQ or Accreditation Committees could be said to represent private training providers; nor was there any move afoot to change that situation.

HIE on the other hand had made efforts to support a lobbying group by working with the Highlands & Islands Traders' Association. However, the HIE interviewee stated, this Association had 'fallen apart' for three main reasons:

- members could not agree;
- they were competing with each other for the same contracts;
- they were too disparate a group.

HIE was now trying to foster collaboration and co-operation by encouraging private training provider representation on the SQMS Management Group and, in partnership with SQA, holding a 'fair' for private training providers in the Highlands. Laudable though these efforts are, they are likely to address only the second of the two issues which one of the LEC interviewees felt that a lobbying group would be useful for: funding and quality. There is still no mechanism for providing feedback or exerting influence on funding policies and decisions.

There was no suggestion from any of the interviewees that a forceful lobbying group was likely to emerge which could speak on behalf of private training providers throughout the country and influence policy at national and regional level.

6.8 NATIONAL EDUCATION & TRAINING TARGETS

Shortly after the interviews with national and regional agencies had been conducted, *The Times Educational Supplement for Scotland* (2.10.98 p.1) ran an article entitled 'Gloom over skills gap : National targets stay out of reach as ministers step in to force the pace of training'. The thrust of the article was to comment on the low-key publication of the 1998 Advisory Scottish Council for Education and Training Targets (ASCETT) report which showed that Scotland was very far off reaching its level III Targets, particularly amongst the workforce at large. It commented on the disparity in achievement between regions, showing that rural areas, specifically the Western and Northern Isles were already achieving in excess of the Targets, whilst urban areas lagged behind. The article reported that new lifelong learning targets were to be the subject of consultation and that the Scottish Office intends to set up a new committee to advise ministers on progress towards the new Targets.

This article accords with comments by the Scottish Enterprise interviewee on the Targets. She foresaw new Targets being more 'cultural and qualitative' rather than quantitative and that achievement of SVQs 'may no longer be the sole measure'. Whilst initiatives such as Investors in People might still be used as a measure, it would be their impact versus cost which would be judged, not just the number achieved. The ethos would be to try to help companies and individuals to help themselves by 'giving them the wherewithal'.

This more qualitative approach would please one of the LEC interviewees who, when asked about the Targets said that the 'whole numbers thing is a nonsense'. He felt that there was no serious attempt to analyse labour market needs, therefore the Targets were not sector specific and therefore they were of limited value. As with the private training providers, the National Targets did not appear to have a high profile amongst staff of the national and regional agencies and therefore were not driving developments. HIE is the exception to that as the performance indicators for their staff are linked to the National Targets. But that was seen as 'unfair' by the HIE interviewee as staff did not have any control over progress towards the Targets. Open and distance learning initiatives such as the University of the Highlands & Islands (UHI) and Argyll's virtual college were seen as supporting the Targets rather than being driven by them.

The disbandment in early 1998 of the Advisory Scottish Council for Education & Training Targets (ASCETT) and the absorption of its functions into the Scottish Office could be interpreted as a recognition by government that a new approach is now needed.

6.9 CONCLUSIONS ON INTERVIEWS WITH NATIONAL AND REGIONAL AGENCIES

The picture which emerges from these interviews shows that private training providers as a group have been very successful in carving out a niche for themselves in the training market. They appear to have become indispensable to LECs by providing training and assessment in

sectors of the market in which other providers, mainly the FE colleges, are reluctant or unable to engage. These sectors are SVQs, workplaces and rural areas. Without them it would seem that LECs would not be able to achieve the numbers of enrolments and the geographical coverage which they need to satisfy the targets set them by Scottish Enterprise and HIE. Private training providers are therefore critical to Scotland's efforts to raise the skill levels of its workforce.

Having acknowledged this, radical changes are imminent within the environment in which private providers work, and about which they are aware to varying degrees. In particular, there are going to be changes within the next 12-18 months which should result in much more thorough and rigorous quality assurance. These include improved external verification criteria and procedures by the awarding bodies, more professional SQMS audits and a greater emphasis on quality targets by the Scottish Office rather than purely numbers of awards gained. These may lead to increased fees for enrolments and for audits being levied by awarding bodies at a time when there is potential encroachment into their niche market by open and distance learning providers. The continuing efforts of government to encourage employers to contribute towards the costs of training may, at the same time as higher fees are being demanded, mean that government funding of training reduces.

Facing these changes we find a very disparate group of private training providers many of whom, it is acknowledged by their peers and those

who contract them, are of very poor quality; particularly so in the quality of trainers they employ. At the same time as they bemoan their quality, these same contractors seek to recruit even more private training providers in order that they can meet their numeric targets. And, claim the providers in Chapter 5, funding arrangements and LEC practices also serve to undermine quality. This situation appears to be exacerbated by a lack of training management experience by LEC staff themselves.

Despite private training providers being an essential training resource which has difficulty in offering training to the required quality, none of the national and regional agencies, with the possible exception of HIE, has a policy on the role of private training providers nor guidance to their staff on how to work most effectively with them. A policy vacuum appears to have grown up around them as they have expanded in numbers over the years. The impression given by the agencies is that private training providers are a necessary evil rather than an ally in the drive towards a better trained workforce.

The feedback from the national and regional agencies suggests that this group of training suppliers has now grown to the point where it must be taken more seriously at a strategic level. With the increasing emphasis on high quality provision the poorer ones should fail to be approved by awarding bodies, fail to achieve SQMS and fail to be contracted by LECs. Those which remain should be given guidance and support and an enhanced status in order to enable them to adapt

successfully to the changing work environment. Furthermore, they should be incorporated fully into the training and development infrastructure by being consulted, as a sector, on policy and practice and by being encouraged to make their own contribution to improvements in training practice through, for example, seconding their best trainers to become external verifiers and auditors. In addition, those private training providers which continue to meet the higher quality demands of the national agencies are best-placed to advise on how this sector may increase the number of training places which it can support without jeopardising quality.

These developments would show that this sector of training suppliers had now reached a stage of maturity where it was ready and prepared to play a significant role in training and development in Scotland.

CHAPTER 7 - CONCLUSIONS

7.1 OVERVIEW

Towards the end of chapters 4, 5 and 6 covering the field research, conclusions have been drawn which have emerged from that phase. The purpose of this chapter is to draw these together into a comprehensive set, which form the basis from which the recommendations in Chapter 8 are drawn. They are clustered under a number of discrete headings.

7.2 VALIDITY OF THE RESEARCH

At the outset of the research it was difficult to determine whether or not the role of private training providers in Scotland was an area which merited exploration. As a field of research it may have been found to be already well-researched or at least sufficiently understood to make further research unnecessary. Alternatively, the private training provider sector may have been so insignificant and peripheral to national education and training objectives that its impact could never be anything other than very minor. It may also have been found to be a sector with such disparate views and working practices that no common trends or vision could be discerned.

In the event, what the research has uncovered is firstly, a sector which has hardly been researched at all and, secondly a sector of training providers who are having an increasing impact on the vocational education and training market and who, as a group, whilst not homogenous, do have

sufficient characteristics and concerns in common to be regarded as a single entity. Furthermore, being regarded as a single entity, their individual actions can have repercussions for others in the group, particularly in relation to the quality of their provision.

The research has been able to uncover the characteristics of the sector and the features of the working environment in which they operate. Contrary to fears of unavailable or unwilling questionnaire respondents and interviewees, the response to the field research was very positive. This was taken to indicate an enthusiasm on the part of stakeholders to volunteer information in the hope of it leading to recommendations which could influence improvements in present working conditions. It could also be taken to indicate that private training providers themselves feel under-recognised and under-researched. There was therefore sufficient participation by stakeholders in the research to ensure that the views of a representative sample have informed the conclusions. The sequence of the research activities also ensured that the information gained from one phase was able to inform the content of the next (see fig.2.2).

It can therefore be concluded that, as a research topic, this was one which was justified and which has uncovered information which will increase our understanding of the operation and potential of private training providers and their impact on vocational training in Scotland as a whole.

7.3 ACTIVITY OF PRIVATE TRAINING PROVIDERS

Chapters 4 and 5 highlighted the dependency on LEC funded contracts of the majority of private training providers which offer SVQs and the resulting importance to them of their relationship with the LECs. However, it also showed that a minority are successfully operating with a wider range of clients and that the others recognise their need to emulate that type of operation. The research did not set out to show the exact proportion of private training provider work which is LEC funded and, indeed, that would have been extremely difficult to do given the variety of types of arrangement, including sub-contracting and employer training partly subsidised by LEC funds. We can however conclude that the proportion is substantial, judging from the dependency situation in which many of the private training providers find themselves.

7.4 THE MARKET FOR PRIVATE TRAINING PROVIDERS

The research has pointed conclusively to the fact that private training providers are an essential component to Scotland's aim of widening access to vocational education and training in order to raise the skills levels of the workforce. Local Enterprise Companies have come, perhaps reluctantly in some cases, to rely on the existence of private training providers to meet the training needs of those whom the FE colleges are unwilling or unable to serve. The private training providers have come to be regarded as more flexible and responsive, able to provide training opportunities to people living in rural areas, able to provide services to employers wishing to carry out training and assessment in the workplace, and, increasingly, as one of

the main vehicles for SVQ implementation. Undoubtedly, without them, there would be less vocational education and training taking place within those sectors identified in section 3.8, particularly in the middle of the skills range i.e. levels II and III. And very often these are the very areas in which the greatest need for training exists, as shown in section 3.8. We can therefore conclude that they have become essential to Scotland's wish to encourage greater participation in education and training and to move us off the 'plateau' of level of activity referred to in section 3.4. They are instrumental in filling the gap between 'the wanting and the doing' referred to in section 3.5.

The suggestions noted in section 1.2 that they might undermine the predominant position of FE colleges have been shown not to be the case. Whilst they do occasionally compete for trainees, by and large this research has shown that the private training providers are operating in market niches different from those in which the colleges are operating. This confirms the findings of the desk research in section 1.2, which suggested a tendency for private training providers to operate in particular niches. In addition, as both FE colleges and private training providers have increased their enrolment numbers in recent years, it can be concluded that the training which the private training providers are doing is additional to, rather than replacing, that which the colleges are doing. Therefore it is an extra resource which the country has at its service.

7.5 THE STATUS OF PRIVATE TRAINING PROVIDERS

Having established that private training providers are essential to the aims of Government, what conclusions can we draw about their status within the education and training market? The conclusion has to be that in general, with a number of notable exceptions, their status is fairly low. Private training providers themselves are aware of that perception and it exacerbates what appears to be a stressful and demoralising working environment. They are often a last resort in the placing of training contracts by LECs. This research has shown that they are widely perceived by national agencies and the LECs as offering low quality training as a result of employing poorly qualified staff and, although it is not overtly expressed, considered to be more likely to engage in fraudulent practice than their counterparts in the state-funded sector. Those amongst them who depend heavily on LEC funding and are therefore known to be in a weak negotiating position, are pressured into accepting unfavourable contracting conditions. The impression from the field research is of a sector which understands that it must move on to survive, but which is ill-equipped to do so. Those amongst them who can win commercial contracts, are increasingly likely to try to distance themselves from the others, by refusing to undertake LEC-funded work and adopting a consultancy, rather than a purely training role, thereby removing a valuable resource from state-funded training programmes.

The esteem in which private training providers are held and the contracting conditions under which many of them operate is not conducive to mutually-

supportive partnerships between them and the LECs; and yet to a large extent each is dependent upon the other. As we saw in section 3.3, better quality training programmes are developed where mutual support exists. The current status of private training providers is therefore hindering access to one form of support from which they would benefit as it makes it difficult for many of them to enter into a 'partnership of equals' with the LEC.

The irony of the situation therefore, is that the national agencies and the LECs perceive both that private training providers are essential to their aims for a qualified workforce and that many private training providers have a poor public profile with a number of severe, quality-related problems. Having acknowledged that these conflicting positions exist, rather than call a halt to further expansion until the problems are resolved and invest resources in rationalising and strengthening the sector, the LECs continued to allow more and more private training providers to become involved in offering nationally-recognised qualifications funded by LEC contracts, thereby potentially exacerbating the problem of quality. The drive towards numeric Targets has led to the creation of a large but poor-quality pool of accredited training providers upon whom Scotland is now partly dependent for the training of its technicians and craftsmen for the 21st century coupled with a group of small high-quality firms with more limited capacity for high-volume training.

7.6 PERCEPTIONS OF PRIVATE TRAINING PROVIDERS

Given the two very different types of private training providers which this research has shown exist, it is to be expected that their perception of their environment and of themselves as a group is not always compatible. As Chapter 4 reported, many of them, particularly those approved to offer the lower levels of SVQs and who were heavily dependent upon LEC funding, found the environment hostile and difficult to operate in. Their perception of LEC funds was that they should cover all of the costs related to delivery of training and assessment of trainees rather than as a subsidy for employer-funded training. They saw LEC funds diminishing in value and competition increasing, whilst at the same time much was being demanded of them in terms of paperwork and quality assurance. They looked to European funding, the training consultancy market and higher level SVQs as opportunities for expansion and for lessening their dependency on LEC funding.

Their counterparts in training consultancy firms, who were already operating in these markets, were dismissive both of the LEC dependent private training providers' ability to capitalise on these markets and on the potential of these markets to meet these expectations. Their perception was of themselves offering high-quality, low-volume HRD services to a wide portfolio of clients in a market which, whilst not easy to operate in, did offer some potential for modest, controlled expansion. They valued their greater ability to negotiate on an equal footing with the LECs and felt under less pressure to accept unfavourable contractual conditions. They perceived

dangers in becoming LEC dependent and were actively working to avoid that position. Any problems of quality within the sector they were inclined to lay at the doors of their larger, LEC funded counterparts.

Both groups of private training providers perceived themselves as meeting a market need which, in some cases, brought them into competition with state-funded FE colleges. Their right to exist was not brought into question however, rather they considered that they should be, but were often not, treated as equals to the FE colleges. They perceived a problem with the marketing of the qualifications which they offered but did not see it as part of their responsibility. Rather they looked to national agencies, including National Training Organisations, to undertake that.

Another aspect of their working environment which both groups of private training providers agreed upon was the undesirability of time-bound SVQs and the conflict of that approach both with good practice and with the original design of these qualifications. They recognised the cost implications of removing time limits and the inability of the present funding methodology to accommodate such a change.

Perhaps inevitably, feedback through the questionnaire and interviews was inclined to bring out the negative perceptions of the private training providers as they focussed on the changes they would like to see brought about. However their responses did imply that they felt that they had been successful in working with trainees disaffected by, or unable to access, state education and training provision. Furthermore, they were generally

very positive about the main components of the training environment, that is the design and content of SVQs and the SQMS approach to quality assurance. Their comments on these two features suggested that the basic components were good but that their implementation needed reconsideration and improvement.

7.7 THE OPERATION OF PRIVATE TRAINING PROVIDERS

The field research has highlighted a number of characteristics which it would appear the more successful of the private training providers share. It might therefore be assumed that were these characteristics able to be adopted by other private training providers, they too would see an improvement in their working practices and therefore in their present uncertain environment. The most fundamental of these is size. The private training providers which reported that they were achieving their business targets and felt a degree of independence were invariably small in size and run by owner-managers. They reported more control over the quality of their services and displayed pride in and commitment to their work. This was the group which, by and large, had been successful in avoiding dependency on LEC contracts; in fact a high level of LEC dependency appears to correlate with a low quality of provision, a more stressful working environment and a larger organisation. Successful providers had a better grasp of strategic planning and a more realistic view of the market for training services.

In contrast, it has to be concluded that the larger private training providers, particularly those which offer predominantly level II awards, are badly in need of support in a number of areas. These include:

- strategic planning
- labour market information
- market research
- marketing which demonstrates value for money services
- capacity building of managers and trainers
- financial planning

Since private training providers are contributing towards government objectives and offering government-funded training programmes, it seems only right for the national and regional agencies to take responsibility for providing support of this kind to providers who can display the potential to benefit from it. At present, some government agencies do not see this as their responsibility and are leaving the fortunes of private training providers to the market and to their ability to become more sophisticated. So long as LECs and the national agencies rely on private training providers to deliver their goals then they have a duty to discriminate between those with the potential to provide high quality training services and those without, and to support the former through a development programme. Currently, as a sector, private training providers lack support from the very agencies which rely on their services, to the detriment of Scotland's economic development.

7.8 THE QUALITY OF PRIVATE TRAINING PROVIDERS

Conclusions on quality are implicit in sections 7.5 - 7.7 but it is important to state them explicitly. Firstly, it has to be concluded that there is a high degree of conflict between the drive for numeric targets and the delivery of quality training; and at present the former appears to be winning. Secondly, unless the quality of the training provided by private training providers is improved overall, the good ones may carry out the threat reported in Chapter 5 to leave the market, trainees and employers will be de-motivated and marketing efforts and attempts to achieve the National Targets will be undermined. In section 3.2 the need for higher participation in vocational education and training was stressed, but the conclusion now has to be that to continue to invest resources in marketing and recruitment would be a largely false investment until such time as quality deficiencies amongst training providers and LECs have been effectively addressed. Thirdly, the mechanisms needed to regulate quality currently exist, such as SQA's external verification system and SQMS, but feedback from training providers and agencies suggests they are currently neither sufficiently rigorous in their application nor consistently implemented by high quality practitioners. Finally, the responsibility for low quality training provision lies with the national and regional agencies which have allowed the situation to develop and worsen and it is in their power to remedy it. The recommendations in the following chapter are therefore largely targeted at them.

It is interesting to note the degree of consistency between the findings on quality in this research and those reported in section 1.2 from the 1971 study by Myers. In both cases, although separated by 27 years, private training providers attracted criticism about the quality of their training provision, including the competence of their trainers. This would suggest that allowing a private training sector to flourish in commercial terms alone has inherent problems, about which the regulators of the publicly-funded system of education and training need to be aware at the outset, in order to put in place adequate quality safeguards.

However, as section 1.2 later explains, this view of poor quality providers is not entirely shared by those companies surveyed as part of the Neil and Mullins study in 1996, where the services provided by FE colleges were used as a benchmark. In that study companies felt that the private training providers were superior in a number of ways, including the quality of the services they offered. In light of the negative findings on quality contained in this research, this could be interpreted as a damning indictment of the quality of services provided by FE colleges. In section 1.2 we also saw that companies were active users of the services of private training providers and the research has shown that these providers are most likely to be the higher quality HRD consultancies.

7.9 SUMMARY

Some of the questions to which this research initially sought answers have become less important in the light of other issues taking prominence. For example, the levels of enrolments, rates of progression and under-utilisation of resources, all of which were identified in Chapter 3 as valid areas for further exploration, became less significant during the field research when fundamental issues of quality and Government policy arose. As a result, much of the quantitative data which was generated by the questionnaire survey has not been followed through in the subsequent interviews although it remains valuable in increasing our knowledge of activity and coverage in the private training provider sector. Any attempts to improve the level of knowledge of employers, attract more trainees or facilitate higher progression rates would be undermined and pointless if the training that resulted had serious flaws. As we have seen from the field research, a bad training experience is off-putting for both trainee and employer; so increasing training provision by poor quality trainers would be counter-productive. The quantitative data was helpful in painting a picture of past and present activity and of future plans, as well as highlighting the severity of the situation, as it showed a forecasted expansion of provision in the private training sector despite fears over quality and poor management. Similarly, the qualitative data which the questionnaire and interviews with private training providers have generated, has increased our understanding of their perspective of themselves and their environment.

One additional noteworthy point is the high degree of congruence between the views of the various stakeholders. The areas where their views diverged were more often to do with practice, such as the effectiveness of the deployment of SQA external verifiers and SQMS auditors, rather than the underlying policy. There was general agreement on the need for an improvement in quality and for better recognition of the private training sector. The main difficulty to be overcome in correcting the situation which has developed will be the removal of accreditation of poorly-performing training providers - an action which will be unpopular both with those providers which lose their accreditation status and with the LECs and the national agencies which will consequently find it harder to meet their numeric targets and provide training places to young people and adults entitled to participate on government-funded programmes. Any such move would however be popular with high quality private training providers who currently feel tainted by being associated with those of poor quality, and with anyone who is concerned that the unemployed and poorly qualified, who are already amongst the most disadvantaged in our community, are further disadvantaged by being provided with poor quality training delivered by untrained trainers.

CHAPTER 8 - RECOMMENDATIONS

8.1 BACKGROUND TO AND PURPOSE OF RECOMMENDATIONS

The purpose of this chapter is to build upon the conclusions which have been drawn, by identifying action which could be taken firstly to address the problems which have been highlighted, secondly to further explore areas of research which look promising but which have been beyond the scope of this research and thirdly to build on good practice identified by the research. Some of these recommendations may be slightly peripheral to the main thrust of the research but they are included in order that all of the issues which arose are addressed and that no useful piece of data is lost. It is recognised that it may not be feasible for these recommendations to be implemented in time to have an effect on the original Targets as they are given in Appendix 1. However, as new Scottish Targets are currently being developed and as private training providers are now an established feature of vocational education and training in this country, the recommendations are still highly relevant to efforts to improve the quality and volume of training in Scotland.

8.2 RECOMMENDATIONS FOR LECs

As the agencies whose contracts keep the majority of private training providers in business, the LECs must be seen as the main agencies for change in this sector. The action points which relate to them are therefore most numerous and given first:

- **LECs must give priority to improving the ability of their own staff to handling training contracts by undertaking training needs analyses for them. Such analyses should take into account the need for LEC staff to: understand the principles of competence-based workplace awards; be familiar with the requirements of the most popular of the awards which training providers deliver; be able to identify and to pass on best practice in training management and training delivery; be sufficiently confident and informed to challenge bad practice and advise on remedial action. Once training needs analyses have been completed then LECs should put in place training programmes for their own staff, preferably based on identified standards. Having in place a more professional and informed cadre of staff in the LECs to provide support to training providers and to discriminate between high quality and poor quality practitioners, is the foundation upon which many of the subsequent recommendations can be built.**
- **The LECs need to control the proliferation of private training providers immediately by applying stricter criteria both to new prospective training providers seeking accreditation and to existing ones. A complete change in outlook is required within the LECs so that their staff give greater priority to high quality training provision and less priority to achieving volume of training places. Only by making this change can the problem of poor quality training be prevented from worsening. For this recommendation to be implemented the LECs would need to have the support of**

central government as it would be carried out at the cost of sacrificing achievement of the National Targets.

- Along with the above recommendation, immediate action is required by the LECs to improve the quality of the trainers which training providers employ. It is clear from the research that to require the existing assessor awards alone is insufficient and that trainers need to be properly trained in the full range of training and development skills. LECs should either be prepared to fund such training themselves, making participation mandatory for all trainers within provider organisations seeking SQMS, or they should require, at the time of accreditation, that trainers hold a recognised training and development SVQ. The quality of the trainers is at the bottom of the whole quality problem and needs urgent action to remedy it.
- It is worth remembering that SQMS is a useful developmental tool for training providers, in addition to its inspectorial function. That being the case, LECs should encourage both their own staff and managers of private training organisations to recognise the value of SQMS and to implement its principles as a matter of course rather than purely as a contractual requirement.
- LECs should be prepared to contract high quality private training providers regardless of their location. By choosing to contract mediocre or poor quality training providers just because they fall within their regional boundaries, the LECs are encouraging sub-standard provision whilst appearing to disregard the benefits of

high quality provision. The choice of training provider should be on merit alone, with the better providers thereby winning the lion's share of the market and having their position in that market strengthened and secured.

- Private training providers are essentially small businesses and should be treated as such by LECs. If that were the case they would be entitled to business development support. LECs should therefore undertake to provide the managers of those private training providers which show potential for development with training in the skills of market research, business planning, financial management, marketing and staff development. Again, this would enable the better providers to grow, to be recognised and to provide a high quality service to their clients. Furthermore, it would provide the right type of support to those private training providers who wish to offer higher level SVQs but who are currently ill-equipped to do so.
- Looking specifically at financial management, there is currently a mismatch between the perception by private training providers of the funds made available by LECs for training and the perception by the LECs, SEN and HIE. The former appear to consider that the funds are expected to cover the entire cost of training, while the agencies consider that it is a contribution towards the cost of training, with the remainder coming from employers. It is incumbent upon the LECs to clarify this misperception and to advise private training providers on the most effective use of LEC

training funds and strategies for encouraging contributions from employers. Doing so effectively, would also help training providers to remove the time limits on SVQ achievement, as there would be alternative funds available for them to use rather than being entirely dependent upon the LEC time-bound funds. Better management of their finances would also allow them to employ higher quality trainers, thereby impacting directly on the current poor quality of much of the provision.

- Looking specifically at market research, it is important that training providers understand how to gather relevant labour market information, how to analyse it and then how to make best use of it in forward planning for the provision of training services. The research has highlighted the lack of strategic planning by many of the private training providers which hope to expand but which appear to have no in-depth knowledge of what the labour market requires. Again, it is the LECs responsibility to offer training providers with training in these skills and to function as a high quality source of labour market information themselves.
- LECs must take a more holistic approach to increasing participation in vocational education and training. With the support of central government they need to switch the emphasis away from promoting training in order to achieve numeric targets towards supporting companies to survive and grow by subsidising consultancy training services. This may initially have an adverse effect on the volume of training which is undertaken, but it will

ensure that training which is done is more effective and likely to have a longer-term impact on both the trainees and their employers. It is also congruent with the recommendation above on advising training providers on the most effective use of LEC funds.

- The above recommendations also point to the close link between economic development and vocational training; one which not all LECs seem to currently recognise. As the literature research showed, the primary purpose of vocational training in the 1990s is to improve Britain's position in the global marketplace and, under New Labour to act as an instrument of social policy to attack poverty. Therefore at a national level the link between economic development and training is clearly seen, but this is not carried through at regional level by bringing together these two functions within the LECs' remit in order that they can be mutually supportive.
- LECs need to be more imaginative in their use of funds to support vocational education and training. Whilst admitting that they only make a contribution towards training costs, rather than funding them entirely, they still appear to constrain the period of time over which SVQs can be achieved. This, it is generally agreed amongst private training providers, is damaging to the quality of the delivery of SVQs. LECs themselves need to consider how best their funds can be used to support the more holistic approach mentioned above and how they can create a funding regime which

would enable providers to benefit from the European Fund rather than dismissing the latter because it is too short to allow completion of a whole SVQ. It is not therefore just the private training providers who need to reconsider how LEC funds can have the most impact on training provision, but the LECs themselves.

- LECs, in co-operation with the national agencies, need to look at funding qualifications other than SVQs, particularly for the 16-18 year old age group, for whom there is much concern that SVQs are inappropriate. At present, young people who wish to participate in a Government-funded training programme have no option but to enrol for an SVQ, despite acknowledgement by SQA that these qualifications were never intended for this age group.
- In recognition of the size of the sector and its increasing importance in the provision of vocational education and training, LECs must develop guidance for their staff on how to work effectively with private training providers. In this way the characteristics of the sector can be acknowledged and a stronger partnership created to maximise its potential.
- Finally in this section, LECs must start to perceive the good private training providers in a more positive light and give them the recognition which they deserve. Some of them have strong track records in working closely with employers, being responsive to new demands and training needs and reaching out into parts of the community in which other training providers are not prepared

to get involved. LECs should be building on these strengths rather than dismissing the sector as a whole as being of dubious quality.

8.3 RECOMMENDATIONS FOR NATIONAL AGENCIES

In addition to providing support to the LECs in carrying out the recommendations listed above, by ensuring that their own policies create an environment in which such action can be taken, there are other recommendations which are specific to the national agencies:

- SQMS is generally regarded as a valuable tool in maintaining quality, but one which is currently poorly implemented. SEN and HIE's remedy for this is to centralise the function in order to monitor more closely the auditors who will carry out the work. This will only make a substantial difference if auditors are given increased powers to fail poor quality training providers, thereby preventing them from being contracted for training services by LECs. SEN and HIE should strengthen the powers of SQMS auditors in this way and be prepared to stand by their decisions when these lead to the removal of accreditation of some centres and failure to gain initial accreditation by others. In particular, in line with the recommendation to LECs to require training and development qualifications of trainers, SEN, HIE and SQA, who are the 'owners' of SQMS should review the SQMS criteria with a

view to introducing more stringent criteria for the employment and staff development of trainers.

- SEN and HIE have a responsibility to remove pressure from the LECs to continue to meet numeric targets, as this appears to be the main cause of the accreditation of poor quality providers. They must support the LECs in switching the focus away from volume and towards quality and to be prepared to argue the case, at least in the short term, for fewer training places, but higher quality ones. Qualitative targets should be introduced to replace quantitative ones.
- SQA external verifiers continue to have an image of being overly-academic and unfamiliar with workplace conditions. Efforts need to be made to recruit more external verifiers from industry and to ensure their consistency through increased staff development.
- The research showed that SVQs, in principle, were well thought of by training providers but that the implementation of them was undermined by poor quality trainers who, by and large had only assessor awards in addition to their technical expertise. SQA should therefore strengthen its criteria for approval of training providers by requiring more evidence of training and development qualifications and experience of staff. This would support the recommendations made above to LECs, SEN and HIE on the same theme and would make sure that all parties are working to a common purpose.

- In recognition of the role which private training providers now play, SQA, SEN, HIE and the LECs should now all be seeking formal means of communication with private training providers as a sector. The sector is now sufficiently prominent to merit being included in consultation processes and to having representation on appropriate committees and working groups. Bringing the sector into the mainstream education and training community would confer a status on private training providers which would encourage a sense of responsibility and ownership.

8.4 RECOMMENDATIONS FOR PRIVATE TRAINING PROVIDERS

Were the recommendations listed above for the regional and national agencies to be implemented, an environment would be created in which high quality, responsible, private training providers with a commercial focus would be able to flourish. However, private training providers themselves need to co-operate as a sector with attempts to create that environment. In addition, there are two other specific recommendations:

- Firstly, the large, national private training providers which operate through local branches, need to give their branches more autonomy. The branches need to be able to adopt some of the features which make the small, owner-managed private training providers more successful. This would include encouraging them to do their own labour market analyses, market research, client

management and business planning. Determining their own agenda and working practices would allow them to forecast more realistically and thereby allow them to meet targets.

- Secondly, as a group the private training providers need to put aside their differences and to initiate the establishment of a national forum, possibly with local chambers. The initiative has to come from them, rather than from any of the agencies, in order that the forum is not compromised in its activities in relation to the agencies. The fora which currently exist at national level (The Scottish Training Foundation) and local level have been established by SEN or LECs and are not seen as being independent, objective or truly representative. By creating a national forum the sector would be sending a message to the agencies that it is a mature sector, ready and willing to participate in consultation and new developments while, at the same time, providing the agencies with a point of contact for national representation. The remit of any national forum could include promotion of the sector, lobbying and self-regulation. Other sectors, despite operating in a competitive environment, manage to create such bodies (with varying degrees of success) so there are models available from which the private training providers can learn.

8.5 RECOMMENDATIONS FOR FURTHER RESEARCH

In the process of doing this research a number of topics have come to light which merit further investigation. These are given below:

- To some extent the conditions which prevail for private training providers also prevail for other types of training providers, such as FE colleges. Although the latter are subject to a greater degree of regulation by the Scottish Office and are expected to conform to requirements for teaching staff to be trained within two years of taking up post, there is a danger that their need to attract more candidates and become more commercial could have an adverse impact on the quality of their provision. Similarly, a proportion of vocational training leading to nationally-recognised qualifications is done by employers and by non-profit making bodies such as local authorities, chambers of commerce and voluntary organisations. Are some of them also being accredited regardless of poor quality? The points of concern which have arisen from this current research may be able to be usefully explored with other types of training provider.
- It would be useful to explore further the motivations behind the nature of the expansion plans of private training providers; particularly the fact that none of them intended to expand into lower levels, but only into higher levels of awards. Is this creating a problem of suitable training places at the lower levels and/or is

the funding methodology creating an imbalance in the spread of training places at all five levels? Is this simply a missed opportunity for private training providers which they would do well to consider exploiting?

- Research is required into how to grow high quality private training providers. Whilst this piece of research has pointed to many improvements which could be made, it does not attempt to describe what an ideal environment might be which would enable the sector to flourish to the benefit of all. Nor does it consider the optimum size or ideal management structure to support high quality provision balanced with maximum utilisation.
- One group of stakeholders whose views, with the exception of participation in the workshop, this research did not seek to gather are the FE colleges. The information which has been reported on the market niches within which the private training providers operate comes entirely from the private training providers themselves. Similarly, the perceptions of double-funding, 'kick-backs' and LEC partiality belong to the private training providers. It might be interesting to undertake research into the perceptions by FE colleges of their private training provider counterparts.
- Finally, the literature search and the subsequent questionnaire survey suggested that there was often a long gap between approval by an awarding body and actual enrolments of trainees. This could be perceived as a wasted opportunity both for prospective trainees and for income for training providers. It could

be worthwhile to explore why that gap occurs and what could be done to minimise it.

8.6 VISION FOR THE FUTURE

In this chapter on recommendations, a number of action points have been suggested in an attempt to create a stronger, more robust private training provider sector, which will provide the training services which Scotland needs in order to create a highly skilled workforce. Were these actions to be taken then, by the Year 2000, the private training providers may not have made a substantial contribution to achieving the numeric Targets but they will be equipped to operate successfully in the new environment. That environment will be one where the national and regional agencies will have adopted stricter quality criteria, enforced by more highly trained personnel. Funding available from LECs for training provision will be likely to have been further eroded at the same time as competition in the training market will have increased from providers of distance and open learning. As a result of more stringent quality assurance mechanisms and funding constraints, the number of private training providers will have decreased, creating a reduction in the number of training places. Those private training providers which remain will, as a result of business development support from their LECs, be more commercial in their outlook, providing a range of high quality services to a wider client portfolio. The private training providers as a sector, will be an integral part of the training and development infrastructure with representation at national and regional levels and with stronger powers of negotiation.

This research initially set out to explore whether private training providers were an under-utilised resource which could be put to greater use in creating a skilled workforce in Scotland. What the research has shown is that, rather than being under-utilised, the resource is largely mismanaged and that only when management issues have been addressed and the problems created by mismanagement resolved, can the question of increased utilisation be safely addressed.

Targets for 2000

Target 1: By age 19, 85% of young people to attain SVQ Level II / GSVQ Level II / 5 Standard Grades (1-3) or equivalent

Target 2: By age 21, 70% of young people to attain SVQ Level III / GSVQ Level III / 3 Highers (A-C) or equivalent

Target 3: 60% of the workforce to attain SVQ Level III / GSVQ Level III / 3 Highers (A-C) or equivalent

Target 4: 30% of the workforce to have a vocational, professional, management or academic qualification to at least SVQ Level IV or equivalent

Target 5: 70% of all organisations employing 200 or more employees, 35% of those employing 50 or more and 15% of those employing under 50 to be recognised as Investors in People

SCOTTISH CREDIT AND QUALIFICATIONS FRAMEWORK

| | | | |
|------------------|------------|-----|-------|
| Higher degree | | | |
| Honours degree | | | SVQ 5 |
| Bachelors degree | | | |
| Deg Yr 2 | HND | | SVQ 4 |
| Deg Yr 1 | Adv Higher | HNC | SVQ 3 |
| Higher | | | |
| Intermediate 2 | | | SVQ 2 |
| Intermediate 1 | | | SVQ 1 |
| Access | | | |

Capability

Competence



Covering letter to questionnaire

37 Ann Street
Edinburgh
EH4 1PL

5 January 1998

Dear

The role of private training organisations in the achievement of National Targets

I am currently working towards a Doctor of Education degree at Sheffield University. For my thesis I have chosen to explore the role of private training organisations in Scotland and, in particular, to assess whether their potential is being fully utilised in the country's drive towards achieving the National Education and Training Targets for the year 2000. As you may be aware, whilst we are making relatively good progress towards achieving the Target related to S/NVQs at level II, we are still some way off having the desired proportion of the population successfully completing S/NVQs at level III.

Very little work has been done on the characteristics and role of private training organisations and there is a danger that they are perceived negatively and their contribution to vocational education and training not fully appreciated. I am hoping that the work I am doing will help to show the valuable role that the private training organisations play and that, by creating the right climate for them to work in, we can improve on the progress we are making towards the National Education and Training Targets.

I would therefore be very grateful if you could complete the enclosed questionnaire and return it to me in the stamped, addressed envelope provided, by the end of January. I realise that you will have many other calls on your time, but the questionnaire is fairly brief and should only take a few minutes.

Thank you very much in advance for helping with this, and best wishes for a peaceful and prosperous New Year.

Yours sincerely

Muriel Dunbar

QUESTIONNAIRE ON SVQ/NVQ UPTAKE

(All answers to the following questions will be treated in the strictest confidence)

1 Is your organisation approved to offer SVQs/NVQs at level II Yes/No

If your organisation is not approved to offer SVQs/NVQs at level II please state why you have not pursued that option

If your organisation is approved to offer SVQs/NVQs at level II , have you enrolled any candidates? Yes/No

If yes, how many in: 1993..... 1994..... 1995.....
1996..... 1997.....

How close is the number enrolled to your planned intake for 1997?

- Many more
- More
- On Target
- Fewer
- Considerably fewer

If you have not enrolled candidates or have enrolled fewer than you planned in the last 12 months, please state why this is the case

2 Is your organisation approved to offer SVQs/NVQs at level III? Yes/No

If your organisation is not approved to offer SVQs/NVQs at level III please state why you have not pursued that option

If your organisation is approved to offer SVQs/NVQs at level III, have you enrolled any candidates? Yes/No

If yes, how many in: 1993..... 1994..... 1995.....
1996 1997

How close is the number enrolled to your planned intake in 1997?

- Many more
- More
- On target
- Fewer
- Considerably fewer

If you have not enrolled candidates or have enrolled fewer than you planned in the last 12 months, please state why this is the case

.....

.....

If you have enrolled candidates at both levels II and III, please state what proportion of your level II candidates proceed to level III enrolment

What do you perceive to be the main barriers to successfully certificating more candidates at level III?

.....

.....

3 Do you intend to expand your training provision in the next 3 years? Yes/No

If yes, will the expansion be into:

| | |
|---|--------|
| new occupational sectors | Yes/No |
| new levels | Yes/No |
| greater numbers of candidates for currently approved awards | Yes/No |

If you have answered 'yes' to any of the above, please provide more details

.....

What changes in current national or regional training policies would most assist you in achieving expansion?

Funding

.....

'Schemes'

.....

Sectoral behaviour

.....

NTO arrangements

.....

Other

4 Would you be prepared to take part in a follow-up interview?

Yes/No

Any other comments you may wish to make

.....

.....

.....

.....

.....

Thank you very much for completing this questionnaire. Please now return it in the stamped, addressed envelope provided to:

Muriel Dunbar
37 Ann Street
Edinburgh
EH4 1PL

signed:

job title:

**Sample letter to private training providers confirming
interview arrangements**

37 Ann Street
Edinburgh
EH4 1PL

6th June 1998

Keith Parker
JHP Training
Nethergate Business Centre
35 Yeaman Shore
Dundee DD1 4BU

Dear Mr Parker

Doctor of Education research on private training providers

Many thanks for agreeing to be interviewed as part of the above research, following your completion of the questionnaire on the same subject. As agreed, I am writing to confirm that I shall come to your office to undertake the interview at 8.30am on Wednesday 24 June.

As I mentioned on the 'phone, I am enclosing with this letter a draft copy of the analysis I have done of the questionnaire returns, which you may find of interest. Please do not feel obliged to read it; it is not necessary to do so in order to answer the interview questions. I am also enclosing a copy of the list of topics which might be covered during the interview. The list is quite extensive and I would not expect to cover every item during the interview. It would be helpful therefore, if you have time, for you to look at the list of questions and identify any which you think are particularly relevant to your company's situation and on which you have views which you would like to put across.

I should like to thank you in advance for agreeing to be interviewed; it is a great help to me in completing my research. I hope to come up with recommendations which can be put to the national and regional agencies which determine the policies under which training providers such as yours operate.

I look forward to meeting you on 24 June; should any difficulties arise which require you to postpone the interview, please call me at home on 0131 343 3018.

Yours sincerely

Muriel Dunbar

Interview questions for private training providers

1. Scale of current and proposed activity

- 1.1. Please confirm that your expectations of future expansion are still as stated in your response to the questionnaire.
- 1.2 Does that expansion include candidates for both level II and level III?
- 1.3 Please estimate percentage growth for each level over the next three years if regional and national funding policies remain as they are currently.
- 1.4 From which sectors of the market would you expect to recruit additional candidates?
- 1.5 What specific changes would you like to see to funding policies?
- 1.6 Please estimate percentage growth for each level over the next three years if each of these policies were to be introduced.
- 1.7 Would the market from which you would recruit the additional candidates differ from that mentioned in 1.4 above?
- 1.8 Do the present funding regimes in anyway undermine the rigour of assessment?
- 1.9 Can you offer any explanation why centres offering both levels II and III should have more difficulty reaching their self-imposed targets than those only offering level III?
- 1.10 On average, what is the successful completion rate of candidates at level II and at level III in your training centre?
- 1.11 What are the main barriers to successful completion of level II and level III awards?
- 1.12 Are there any gender, age or employment status considerations which affect successful completion and progression?
- 1.13 How long, on average, is the interval between your centre becoming approved to offer a particular award and enrolment of the first candidates?

2. Quality of delivery

- 2.1 Do you have any difficulty in recruiting good trainers?
- 2.2 What qualifications and experience do you expect?
- 2.3 What further developmental or training opportunities can trainers access?
- 2.4 What, if any, impact would increased funding have on the quality of delivery?
- 2.5 Is there an optimum size at which you believe your centre would be maximising numbers of candidates and maintaining quality of delivery?

3. Operating environment

- 3.1 Do you undertake any type of market research? If so, of what type is it?
- 3.2 Can you access labour market information? If so, what use do you make of it?
- 3.3 Do you draw candidates from more than one LEC? If so, are there funding inconsistencies between the LECs with which you work?
- 3.4 Which funding arrangements of the ones of which you have had experience most favour recruitment of level III candidates?
- 3.5 Which funding arrangements are most disadvantageous to the recruitment of level III candidates?
- 3.6 How helpful is the regulatory environment within which you operate? What shifts in policy would allow you to provide an effective provision to a larger number of candidates?

4. Characteristics of centres

- 4.1 What proportion of your centre's work is related to the delivery of VQs?
- 4.2 Does your centre undertake marketing activities? If so, of what type?
- 4.3 How is trainee recruitment handled and by whom?

- 4.4 What guidance/counselling support is available to trainees?**
- 4.5 Do you employ specific strategies to encourage progression to the next level on completion of a VQ? If so, what are they?**
- 4.6 Do trainees who wish to progress generally remain within your centre to do so or do they transfer to another training provider?**

**Sample letter to national and regional agencies confirming
interview arrangements**

**37 Ann Street
Edinburgh
EH4 1PL**

8 August 1998

**Chris Maythorne
Highlands & Islands Enterprise
Inverness**

Dear Chris

Many thanks for agreeing to be interviewed on the subject of private training providers and SVQ provision. This is part of the final piece of field research for my doctorate and I will be so glad when it is completed.

I have written a summary of the work so far and enclose it with this letter. Obviously not all of the issues which have arisen are necessarily directly relevant to the initial aim of the research, but may be of interest nevertheless. I also enclose a list of topics, derived from the research to date, which I wish to address with representatives of national and regional agencies. Of course not all of these will be relevant to HIE so please cast your eye down them and be selective. In addition to the topics on the list, if there is anything in the summary which you would particularly like to comment on during our discussion, then I would be pleased if you would.

In addition to yourself representing HIE, I plan to hold interviews with representatives of SQA, SEN and two LECs. It may also be possible to get feedback from the Scottish Training Foundation which represents private training providers.

I'll give you a ring towards the end of this week, by which time you may have had a chance to read the enclosed, to fix up a time to hold the telephone interview, assuming you are still happy at that stage to be involved. It was good to have a chat on the 'phone last week and I look forward to speaking to you again in a few days time.

Best wishes

Topics to be addressed during interviews with national and regional agencies

1. What, if any, are the advantages to having private training providers?
2. In the contexts of expansion and of quality, what are the weaknesses and the strengths of private training providers?
3. Policy on the growth in numbers of private training providers.
4. What specific steps are agencies taking to reach the Targets and do these acknowledge the contribution of private training providers?
5. The relative financial advantages of the state-funded colleges and accusations of 'kick-backs' and double-funding.
6. The perceived operational advantages of the state-funded colleges, with particular reference to college-based assessment.
7. The perception/desirability of the private training providers as a lobbying group.
8. Policy on the enforcement of SQMS audits.
9. Policy in the event of a private training provider failing to meet the criteria of SQMS.
10. Response to the accusation of 'academic external verifiers'.
11. Response to the accusation of insufficient possession of training credentials by staff of private training providers.
12. Appropriateness of SVQs for the 16-18 year-old age group.
13. Views on lack of progression from level II to level III and the extent to which funding methodology impacts on that.
14. What pressures do the agencies consider themselves to be under in relation to the conflict between quality and numbers of successful trainees.

Summary of research to date**Background**

The initial aim of the research was to explore whether private training providers in Scotland (i.e. those providing training 'for profit') are an under-exploited resource and whether, by understanding them better, their potential could be more fully utilised to make a greater contribution towards achieving the National Education and Training Targets for the Year 2000, particularly at level III.

The desk research revealed that there has been virtually no research done on private training providers and that, while their existence is acknowledged in various publications, there has been no investigation into their characteristics, their growth or their role.

Survey results

A questionnaire was designed to elicit from private training providers information concerning not only the awards which they offered and the volume of enrolments, but also their future plans for expansion and potential obstacles to achieving these plans. In particular, the questionnaire asked for information on progression rates from level II enrolments to level III. In total 103 questionnaires were sent out and 45 returned, giving a 44% response rate. Six respondents also chose to send accompanying letters, expanding on their responses. Analysis showed that the respondents were a representative sample, both geographically and sectorally, of the total private training provider population.

Findings from a full analysis of the questionnaires showed that:

- at level II over the last 5 years, the number of centres enrolling no candidates has fallen and there has been a steady increase in those enrolling substantial numbers;
- average annual enrolment figures per centre for level II are now approaching 90;
- in general, centres were frustrated in achieving their planned enrolment numbers; reasons given included:
 - funding
 - a lack of interest by employers and employees, exacerbated by insufficient marketing of the qualifications
 - fewer referrals than anticipated coupled with increasing competition

- at level III over the last 5 years, there has been a slower increase in enrolments than at level II;
- average enrolment figures per centre for level III were below 30;
- centres offering only level III had all achieved their enrolment target or exceeded it;
- huge disparities between centres in progression rates from level II to level III were not dependent upon quantity of enrolments, occupational sector or geographic region;
- progression is hindered by:
 - mis-match between level III SVQs and the kind of jobs which young people are in;
 - trainers with poor skills, particularly in cost-effective assessment;
 - the size of SVQs, their off-putting structure and the fact that they require too great a commitment from both the employer and the trainee in terms of time, and from the trainee in terms of the 'laborious' portfolio building.
- some centres do not offer level III awards because:
 - of the poor interest shown at level II
 - their clients are mainly special needs trainees
 - there are more relevant alternative qualifications
 - they have inadequate staffing, facilities and demand
- every centre is intending to expand its provision in the next 3 years;

87% of centres mentioned the need for changes to funding. Those who sought increased funding occasionally mentioned where in particular they would like to see it targeted. This included the 18+ age group, particularly the adult unemployed; the costs of supplying assessors and advisers in rural areas; support for off-the-job studies and work-based assessors; and funding for employers. It was felt that increased funding would have a positive impact on quality of provision and would permit faster development. The inconsistencies in funding strategies between LECs was pointed out. There was a desire for a funding strategy which removed the concept of payments at milestones and payment by SVQ achievement, and which provided more stability and longer contracts. There was a general feeling that LECs expected training to become cheaper each year, which was considered unrealistic. European Social Funds were mentioned as being an attractive source by centres not involved with them, while those which were, were highly critical of them, particularly in terms of their one-year timescale; insufficient for the average trainee to complete a level III SVQ.

Following up comments on lack of employer interest, two of the respondents took the opportunity to stress the negative effects that arise from a lack of compulsion to train and the role which under-funding plays in that:

"Apart from LEC-funded Training for Work programmes, which are under-funded, the private sector shows very little interest as SVQs are not needed to do the job whereas statutory licences are."

"I feel that VQs have still got a poor reputation, especially as there are continuing reports (albeit rarely now) of malpractice both with awarding bodies and approved centres. To use private training providers to carry out the many assessments etc. required for these awards is expensive. Small companies generally cannot see the benefit in paying out for something which their workforce do not *need* – especially as it is a transferable qualification. Many companies are interested until they discover there is no financial assistance for them, owing to the age of their employees."

In contrast to the numerous comments on under-funding, one respondent's covering letter challenged those who are overly concerned with it and insufficiently, in her opinion, concerned about the quality of the training they are delivering:

".....so much VQ provision has become a question of how much cash organisations can make and provide the least service in return If individuals are to seriously be in charge of enhancing the skills and knowledge of others then they really have to know what they are doing. They have to know how people learn, what their preferred style is, why people learn – what motivates, what de-motivates, what barriers they have and why they have them. They must know how to read standards, design cost effective training and instruments of assessment for them and, above all, know how to and care enough to quality assure the whole process."

A small number of respondents addressed the bureaucracy which supports the SVQ system and called for clearer information services from 'LECs and other co-ordinating bodies' and for the awarding bodies to stop vacillating about the need for D Awards for assessors and verifiers.

The importance of private training providers in sheer numeric terms becomes apparent when one considers that the responses to the questionnaire suggest that 44% of private training providers approved to offer SVQs generated in 1997 2716 level II enrolments and 1520 level III enrolments. If this figure is extrapolated to cover all private training providers approved to offer SVQs then enrolments from this sector for 1997 were 6172 at level II and 3454 at level III. Adding to that the intention of most centres to expand over the next 3 years, particularly at the higher levels, we could forecast an increase of 10% year on year. This would give enrolments from private training providers of 8214 at level II in the Year 2000 and 4597 at level III in the Year 2000. These are not insubstantial enrolment figures and, unless other types of training provider are increasing at a similar rate will account for a sizeable proportion of the total SVQ enrolments.

Interview results

Six centres were chosen for follow-up interviews. They were selected because of their characteristics in terms of types of award, numbers, success in reaching their business targets, progression rates etc. However, it became clear that private training providers approved to offer SVQs fall into two distinct categories unconnected with most of the above criteria:

- providers which depend heavily, perhaps exclusively, on LEC contracts;
- providers for which LEC contracts are a minor part of their business and upon which they are not financially dependent, and which regard themselves as training consultants.

The main points arising out of the interviews are as follows:

- overwhelming quantity of paperwork required by the LECs
- different paperwork and regulations required by different LECs
- poor quality labour market information supplied by LECs
- being (at least partially) independent of LEC funding improved a centre's chances of survival and their ability to negotiate more favourable terms with the LECs
- lack of support from LEC at time of start-up
- LECs preference for training providers in their own region regardless of quality
- LECs lack of a holistic approach to training
- LEC staff perceive training as a 'poor relation' while their economic development role is seen as more glamorous
- LECs are themselves put under pressure by Scottish Enterprise to achieve numerical targets
- LEC staff with responsibility for contracting with providers do not themselves understand initial assessment and how to design delivery and assessment
- Trainers employed by private training providers are not generally qualified or trained as trainers, do not understand the need for training needs analyses and generate a poor impression of SVQs due to their poor quality training provision
- Rather than continuing to increase the number of new centres, resources should be put into improving existing centres and encouraging co-operation
- In order to deliver VQs as they were intended to be delivered, time limits imposed by the funding regimes would have to be removed

- Lack of funding to implement SQMS, permits poor quality training to take place with LECs not being prepared to enforce minimum standards
- Concern over the consistency of external verifiers' suggestions and decisions, particularly those who are 'academics' with no understanding of the workplace
- Concern over the consistency of the type and quantity of assessment evidence required by external verifiers, in the kind of recording mechanisms required and the external verifiers' attempts to re-assess candidates
- Awarding bodies try to use (academic) external verifiers to shore up the lack of quality in delivery
- The SVQ system is unwieldy to operate – they take 18 months to complete work which could have been done easily in an academic year
- There's an intermediate stage missing from SVQs – level 2.5
- SVQs are inappropriate for 16-18 year olds unless they are working in an organisation which actively encourages and supports them
- The developmental aspect of SVQs is not recognised and implemented
- Much work still needs to be done on convincing employers of the merits of SVQs
- SQA's marketing approach is aimed at large companies with HRD capability
- Some LECs favour the local FE college(s) over the private training providers and direct employers accordingly
- The wish by private training providers to expand shows lack of strategic planning
- FE colleges are perceived by private training providers as being double-funded which allows them to offer financial incentives to employers to send their trainees to them and to lower their entry requirements
- FE colleges should not be allowed to deliver SVQs entirely in-house; simulated working environments do not work, it's just a strategy to achieve targets
- Being small and flexible can give a private training provider some advantages over larger, unwieldy FE colleges
- Recent changes in the funding mechanism force trainees to opt for either level II or level III, thereby eliminating the opportunity for progression
- The SVQ philosophy and approach, generally regarded by the private training providers as worthy, have become the victims of a game of numbers, with the drive to reach the Targets taking precedence over the quality of training and the needs of employers and trainees

- Private training providers do not co-operate effectively, lack a strong lobby and are poorly represented at SQA
- There is no one at HIE or SEN who takes responsibility for rogue LECs

In conclusion, the interviews with private training providers brought to light information about them which helps our understanding of how they operate and how their potential might be best utilised.

The first of these is the fact that two distinct types of private training provider appear to exist, each of which has specific characteristics. The provider which is predominantly LEC-funded is generally larger, covers a number of occupational sectors and its relationship with employers is as a Government-subsidised training resource. It carries out the brief it is given, reacts and is resigned to LEC policies. Its contracts are subject to annual negotiation, it lacks flexibility and is anxious to expand (to survive) into work which is not LEC funded.

The second type of centre, that which is not dependent upon LEC funding, is generally more proactive and has a greater sense of self-direction. Its relationship with employers is as a contractor offering a range of services. It is more likely to challenge LEC policies and decisions and to refuse to accept contracts which do not accord with its company policy. It has a particular concern for training being preceded by training needs analyses and for the training to be of high quality. It would prefer to see public resources being used to improve existing centres rather than an increase in the number of private training centres. It itself is likely to expand within the next three years, but only modestly.

The danger of treating these two types of centre as one homogenous whole is therefore to overlook the strengths of the second type whilst focusing on the apparent spare capacity available in the first.

The second issue to arise is the question of whether an increase in the size of centre inevitably leads to a decrease in the quality of provision. Centres not predominantly funded by LECs expressed their reluctance to sub-contract work which they were unable then to directly control. Specialist non-LEC funded centres approached by larger generalist ones to undertake work, refused on the grounds of an uncertainty over the quality of the total programme and of the trainees they would be receiving.

Thirdly, the treatment of private training providers by LECs appeared to be determined, at least to some extent, by the perceived quality of the local state-funded FE college(s). This suggests that private training providers are seen as a second choice when the colleges are not considered by the LEC to be performing adequately, rather than as an equal competitor for contracts. However, LECs and at least one national agency, are also using what they consider to be the better quality private training providers to provide training for the others and for their own staff.

In some cases, LECs and SQA appear to be adopting and implementing policies which support the drive towards Targets but which militate against quality provision. If the issue is, and the interviews would suggest that it is, to raise the numbers of enrolments and the quality simultaneously then it seems that current national and regional policies will not support that. The conclusion at this stage in the research therefore has to be that further utilisation of the private training providers in the drive to reach the Targets by the Year 2000 would, without policy changes, almost inevitably be at the expense of quality and therefore educationally unacceptable. Indeed, even continuing with enrolments from private training providers at the present rate has some serious quality flaws, only some of which are beginning to be addressed.

**PAGE
NUMBERING
AS
ORIGINAL**

Standards & Qualification Developments

WITHIN VOCATIONAL TRAINING

Seminar and Workshops

The seminar and workshops will be highlighting important developments and changes that will be taking place within vocational training

5 November 1998
Glasgow

Organised by:
Training Exchange Services

Please circulate programme within your department

The seminar and workshop programme will highlight important standards, qualification developments and forthcoming initiatives that are taking or are about to take place in Scotland during 1999.

The seminar in the morning will be considering these developments and initiatives together with their implications for employers and employees.

The workshops in the afternoon will further develop the theme of standards and qualifications through a practical approach. Delegates will be able to select two workshops they would like to attend.

Who should attend

Essential attendance for those who have a training and development responsibility within their organisation.

Display

In conjunction with the seminar and workshops there will be a display by providers in the standards and qualifications' area. Experts will be available to discuss particular issues and queries.

Venue

Conference Facilities
74 Victoria Crescent Road,
Glasgow G12 9JN

For Further Information

Training Exchange Services
74 Victoria Crescent Road
Glasgow G12 9JN

Tel: 0141 334 6122

Fax: 0141 337 5050

E-mail: TrainingExchange@compuserve.com

Website: www.millenn.com/events

VAT No. 481 2158 55

9:15 - 9:40 Registration 9:45 Start

Chairperson: **Alex Brown, Chief Executive**
Scottish Training Federation

New Deal Skills' Mapping Systems

- **Development of mapping systems using national occupational standards**

- **Mechanisms involved and benefits to be gained**

Jean Blair Scottish Qualifications Authority

Accreditation and Credit Rating Modern Apprenticeship Schemes

- **Credit and Accumulation Transfer (SCOTCATS) framework and individual opportunities created**

- **Practicalities of relating to SCOTCAT: supported by case studies**

Mike McDonagh Napier University
Kay Mitchell Lauder College

10:55 Coffee

Developments within Investors in People

- **Implications of the revised Authority and Autonomy Guidelines**

- **Achieving whole organisation recognition - large public & private sectors**

Karen Carlton McKechnies Ltd

Establishing a Scottish University for Industry

- **Concept and background; financial resources available**

- **Structure, services and accessing funds**

Bob Christie Scottish Enterprise

EU Recognition of Training undertaken in Member States

- **Establishing content, objectives and practicalities of European Pathways**

- **Implementation, funding and overseeing the process**

Joe Farrell Department for Education and Employment

12:45 Lunch

14:00 - 15:00 & 15:15 - 16:15

Implementing a Skills Profiling Programme

Developing and introducing a competence framework

Lessons to be learned - what works and what does not work

Sheila West Scottish Amicable

How Work-Based Projects enable more meaningful VQs

Selecting and implementing suitable work-based projects

Partnership arrangements and exemplars from Stirling Council

Elaine Mushens Stirling Council
Susan Broatch Financial Times Management

The New Criteria for SVQ Accreditation

Developing independent assessment procedures

Models and assessment requirements and implications

Jean Blair Scottish Qualifications Authority

Can the Potential of Private Training Providers be Increased?

Dissemination of a research project undertaken into how private training providers operate, their relationships and interaction with support agencies, clients and qualification awarding bodies. The project findings and recommendations will be highlighted on how training providers and their managers can maximise potential.

Research Project undertaken by Muriel Dunbar

CALL FOR PAPERS - SEE OVER

Name _____

Position _____

Organisation _____

Address _____

PostCode _____

Tel: _____

Fax: _____

Please indicate which two workshops you wish to attend

| 1 | 2 | 3 | 4 |
|---|---|---|---|
| | | | |

Fee: **£76** + VAT (£89.30)
(includes lunch, refreshments and event documentation)

Enclosed is fee of _____

And made payable to:

Training Exchange Services

And return to:

Training Exchange Services
74 Victoria Crescent Road
Glasgow G12 9JN

Tel: 0141-334 6122

Fax: 0141-337 5050

VAT No. 481 2158 55

For additional names please use a photocopy of the Registration Form or send for additional programmes.

Cancellation prior to 23 October 1998 will be subject to 25% cancellation fee. After that date all fees are non-refundable. However a substitute can be sent in place. If due to circumstances outside the control of the organisers, the organiser reserves the right to amend or alter the published programme.



Call for Papers

Training Exchange Services will be mounting a major education, training and personnel event in May 1999 highlighting initiatives, topics and issues that have had maximum benefit for organisations. The **Event Selection Committee** would very much welcome receiving details from any organisation that has been involved in:-

Supervisory and Management Development
Quality Assurance Systems
Application of Technologies
Qualification and Standards
Flexible Learning
Health and Safety
Training of Trainers
Recruitment and Selection
Office Practices

Please give a brief outline of the initiative/topic/issue for consideration by the Event Selection Committee.

Please return to:

Training Exchange Services
74 Victoria Crescent Road
Glasgow
G12 9JN

Registration Form

Name _____

Position _____

Organisation _____

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Tel: _____ Fax: _____

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Proposed Presentation

Working Title _____

Outline of Topic _____

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Group One

“Private training providers are under-valued and insufficiently supported, with a great deal of untapped potential.”

Do you agree with the above statement?

If the above statement is true, consider:

1. The feasibility of raising enrolment levels within the present operating environment, whilst maintaining quality.

2. The feasibility of progressing more trainees from level II to level III.

3. What type of support would be required by private training providers, and from whom, to enable increased enrolment levels and progression rates to occur?

Group Two

Private training providers have become indispensable to LECs in certain market niches, and more continue to be approved. Yet doubts continue to be expressed about the quality of their provision, particularly the trainers they employ.

It has been suggested that a mechanism should be put in place to rigorously 'weed-out' poor quality private training providers and provide business development support to the remainder.

As Director of Training in an LEC, how would you resolve the need to widen access to training by all who can benefit from it, with the need to maintain quality standards?

Group Three

Private training providers lack a voice at strategic level. Individually, they are in a weak position to negotiate with those who contract them or who make decisions which affect their operating environment. Previous attempts to collaborate have met with limited success.

What conditions would need to be in place to enable the sector to be effectively represented at national level?

What would be the role of such a body and what tasks could it undertake, to the benefit of private training providers in Scotland?

Record of Field Research Activity

Week beginning 9/2/98 questionnaires piloted.

Week beginning 16/3/98 revised questionnaires sent out.

| | | |
|----------------|--|-------------------------|
| 1.6.98 | Private training provider interview | 1 |
| 2.6.98 | Private training provider interview | 2 |
| 15.6.98 | Private training provider interview | 3 (by telephone) |
| 17.6.98 | Private training provider interview | 4 |
| 19.6.98 | Private training provider interview | 5 (by telephone) |
| 24.6.98 | Private training provider interview | 6 (by telephone) |
| 17.6.98 | LEC interview | 1 (by telephone) |
| 28.8.98 | Scottish Enterprise interview | |
| 28.8.98 | SQA interview | |
| 21.9.98 | HIE interview | |
| 25.9.98 | LEC interview | 2 |
| 5.11.98 | Workshop | |

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