

**Engineering and Machinery Alliance**

*Grass Roots Survey*

**Skills and Qualifications**

*Mechanical Engineering Firms' Perspectives  
on Skills and Training and Government's Role*

**June 2008**

## **Skills and Qualifications**

*“The whole (training reorganisation) exercise is predicated on the provision of qualifications. These may be NVQs or other supposedly recognised schemes.*

*Pretty much our only requirement in this area is the teaching of skills -- not the delivery of qualifications. Our inability over many years to find suitable skills training for CNC machine operators, pattern makers, metallurgists and other similar persons has led us to withdraw from the education and training market. We have been successful in finding outside agencies to teach forklift truck driving and some very specific health and safety topics. We have reached two main conclusions concerning this area. First the market is controlled by educationalists -- not users. Whenever the delivery market is changed or re-organised, it is the same educationalists who turn up in the new roles. Second it seems that UK no longer has the critical mass of trainee posts necessary to create the demand for proper training courses. An example from our own experience is of a pattern making course that would only be provided if we could deliver twenty candidates. Also this would have been half a day's drive each way for a day release option.” (From a mid size company)*

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## **Introduction**

Mechanical engineering supplies capital goods and components for capital goods to other manufacturers and producers.

To do this in the UK, the sector employs a workforce of some 300,000 with a wide range of skills, from chartered engineer to technician. Many firms specialise, offering niche products and services and so have specific requirements of their people that may not necessarily be readily transferable to other companies, even those operating in the mechanical engineering field.

Against this background we asked our member companies how important skills and training are for their business and what they are doing about it.

In the first instance we held a focus group discussion in November 2007 for a cross section of members with representatives from the Department for Innovation, Universities and Skills (DIUS) and Semta, the relevant Sector Skills Council.

These discussions were used to inform a questionnaire which included thirteen statements to test how broadly the focus group's views were supported by the membership.

## **The Engineering and Machinery Alliance**

Nine associations make up the Engineering and Machinery Alliance:

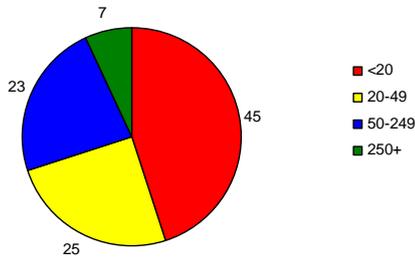
- British Automation and Robot Association
- British Paper Machinery Suppliers Association
- British Plastics Federation
- British Turned Part Manufacturers Association
- Confederation of British Metalformers
- Gauge and Toolmakers Association
- Manufacturing Technologies Association
- Printing, Publishing and Converting Suppliers Association
- Processing and Packaging Machinery Association

They have 1,300 member companies employing approximately 60,000 people.

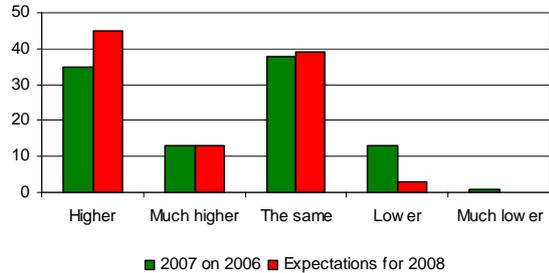
**The sector in this report**

More than nine in ten firms taking part in this survey are SMEs, with only 7% of respondents working in large firms. (In all 89 firms took part)

**Participating firms by number of employees**

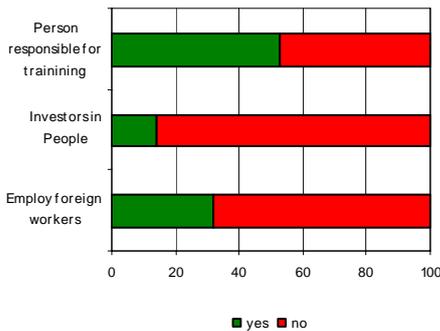


**Business confidence**

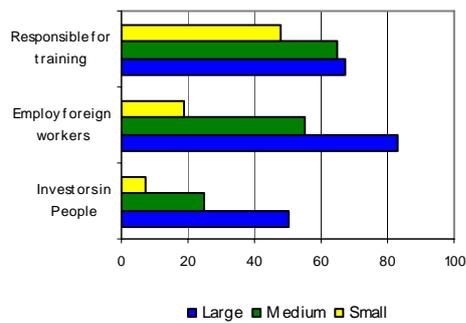


Firms' average age is 43 (28 to 68 at the extremes!)

**Firms' characteristics**



**Characteristics by company size**



At the time of the survey, (November 2007 – January 2008) business confidence was high with a general expectation that 2008 would be as good as 2007 or even better.

One third of the firms employ foreign workers, half have someone specifically responsible for training, but only one in seven are Investors in People companies.

Under segmentation, we can see that much bigger proportions of the large companies do all of these things. However, there is very little difference in the numbers between the medium and large company segments when it comes to having someone responsible for training specifically (around two-thirds for each group).

The report presents respondents' views as a cohesive sector and then as different company size segments to reflect differences where they emerge between small, medium and large companies.

More detailed analysis and further segmentation are available on request. Please contact the Engineering and Machinery Alliance by e-mail: [info@eama.info](mailto:info@eama.info)

## Summary

### Findings

1. *Skills and training* are rated overall as the second most important priority in our list of management responsibilities, some way behind *developing new customers*. But there is some variance according to company size.

Medium size companies for example place *cashflow management* and *new products, processes and services* ahead of *skills and training*.

2. Forty per cent of firms increased their training budget in 2007 and 50% planned increases in 2008.
3. Overwhelmingly firms agreed that they have to train to survive.
4. Seven in ten firms run structured annual training programmes for:
  - all their people (one third)
  - their skilled workers (half)
  - apprenticeships (over a third)
5. The 'most popular' apprenticeship age group amongst employers is the 18-24 cohort with fully three-quarters of the segment offering them apprenticeships compared with half for the other ages.
6. The 16-18 cohort record the highest completion rates (83%) closely followed by the 24+ group (80%).
7. Two-thirds of the firms offering apprenticeships use national accreditation standards and NVQs for all three age groups, despite the fact that overwhelmingly the sector rejects the relevance of NVQs.
8. Nearly a third of the firms running schemes for the 24+ cohort use company specific standards.
9. Nearly half of all the apprenticeships offered are fully company funded, ranging from three in five for large companies, to half for small firms and a little under a third for medium size firms.
10. When comparing the impact that training different groups can have on companies' future success, training shopfloor workers is judged the most important.
11. The large and medium size companies place more emphasis on the need to train managers and supervisors than small firms do.
12. Overall the companies have very little knowledge of the organisations involved in developing and delivering training support.
13. This is not solely the case for SMEs. Big companies' knowledge is effectively limited to five of the nine organisations listed.
14. Few of the training organisations have a positive image. None are rated very positively by the sector overall.

However, medium size companies do rate private training providers that way. But lower scores among the small and big company segments reduce their final rating.
15. A third of participants are aware that the government is making large sums available to improve training and skills development. They are not particularly surprised. But opinion is split 50:50 as to whether this funding will prove useful.

### **Company views**

16. The sector struggles to find the people it needs. This view is particularly strongly held by the large company segment. One big company summarises it: "We struggle to find the people we need, that's why we train."
17. All agree strongly that they have to train to survive. "Train to survive should be an industry motto" says one small company representative.
18. Overall companies, particularly the large and small segments, strongly agree that employers are sceptical about government announcements, including about training.
19. While they are not very surprised that the government is spending so much on training support, they agree that if they know how to access the funding they will use it.
20. The trouble is that they don't know what is available. This is not solely a small company issue, although they feel it more acutely. Majorities amongst the big and medium company segments also feel they lack the information.
21. They all overwhelmingly agree that they need simple, direct information.
22. While majorities across all segments agree that their trade associations should be more involved in delivering training for their sector, small firms hold this view more strongly than the other groups.
23. NVQs are strongly rejected as meeting their company needs, even by the big companies. The least negative group are the medium size companies, where over a third of the respondents agree that they meet their needs.
24. Big majorities disagree that NVQ Level 2 is where they want to be. The mid-company segment hold this view particularly strongly with more than nine in ten firms rejecting the proposition.
25. Majorities in each segment agree that they are better off arranging their own training.
26. Support for doing more with local schools is very weak, with small companies in particular lining up against the idea. Even among the big companies opinion is divided 50:50.
27. There is much more consistent support for a period of stability after so much change in the recent past, although a third of small companies disagree.

## Conclusions and recommendations

- 1 While all training is considered important (as the second highest priority management responsibility), it is shopfloor training that is seen as having the greatest bearing on their companies' success. Overwhelmingly this is done in-house often in harness with an external trainer.**

Unfortunately this is precisely the area in which the training world has been weakest. There has been far greater demand for management training, training in design and IT and sales within the UK economy as a whole than there can ever be for shopfloor training from the 13,000 firms that make up the mechanical engineering sector.

Also all those other subjects don't cost quite so much to put on – there's no need to have expensive capital equipment in the classroom for everyone to use. And with the higher demand that there is, most if not all needs can be met from the wide choice of schedules available through channels such as further education colleges.

There simply hasn't been a similar critical mass demanding mechanical engineering skills development despite the fact that 87% of firms struggle to find the people they need.

Practical experience seems to show that modern mechanical engineering shopfloor training requirements are simply too specific to be capable of resolution with a generic approach.

- 2 The skills shortage is seen as an immediate problem. Firms train to survive (92%).**

Although the difficulties of recruiting into the industry are well recognised, under a third of companies are considering doing more with their local schools.

The drive for productivity has left firms stretched for manpower. The focus is on solving today's problems, putting a premium on relevant skills for most SMEs, and pushing strategic, longer term considerations about schools liaison into the future when there's more time to deal with it.

*"We need to train but our budget is very small -- there is too much red tape in other areas sucking our funds."* (small company)

*"Would like to further professionalise our apprenticeship scheme and see real apprenticeships encouraged and recognised (too much emphasis on academic rather than skills-based qualifications). In addition we would like to see more co-ordinated interaction with schools."* (medium size company)

*"Encouragement should be given at school to get school leavers into engineering. It is almost impossible to get apprentices in engineering."* (small company)

- 3 Companies are adopting different strategies to deal with the skills shortage: one third employing foreign workers, two in five increasing their training**

**budget and over a third running apprenticeships, with half of those fully funded by the company involved.**

Firms running apprenticeships currently tend to favour national schemes and NVQs (despite their low standing). Over quarter of the more mature apprenticeships for the 24+ age are company specific.

*“(Our) first year with an apprentice. We would like to see better coordination of the training activities available. Many organisations are making a big effort but it needs to be coordinated.”* (small company)

*“We aim for the first time in years to restart apprentice training and hope for assistance in doing the right thing for both our company and the industry. Train to survive should be an industry motto”* (small company)

**4 The sector doesn't think much of the government's track record on training or education.**

The criticisms, even if some appear 'unfair' are strongly held based on:

- b) The demise of supported apprenticeships
- c) Past changes that haven't delivered on the companies' priorities
- d) A system that is unduly complex and non-responsive
- e) NVQs that are not relevant
- f) Lack of training providers through government supported schemes capable of delivering the relevant skills
- g) Falling educational standards
- h) Young people coming out of formal education without sufficient grounding in the Three Rs, and many, following a university education, having little to offer that is really useful to an employer
- i) Companies don't see it as their job to make up for the failures of the country's educational system (they haven't got the finances to do it).

*“People in government have no idea how long it takes to train people (in mechanical engineering skills) because they have no direct experience”* (small company)

*“NVQs are a waste of money. The training available is not based on engineering skills.”* (small company)

*“Encouragement should be given at school to get school leavers into engineering. It is almost impossible to get apprentices in engineering”* (small firm)

**5 Government is too focused on university education for many respondents.**

They would like to see less emphasis on university take-up and more on ensuring young people have the basics of the Three Rs at age 16 and that beyond that age they have useful skills rather than the purely academic.

*“Too many students fresh from university have relatively little to bring to the party”.* (small company)

*“The economy needs people with useful skills”. (small company)*

*“Instruct school leavers at the age of 16 that there is another option than university” (small firm)*

**6 Based on past experience companies are sceptical about the new proposals and what they will actually mean.**

Will they deliver something useful, or will it be the same, old players and organisations with new titles and responsibilities doing very nicely while the firms continue to look for the skills development that will help them be more internationally competitive?

*“Use people with industrial experience to help with training; don’t use people straight out of training themselves as they have no knowledge.” (medium size company)*

*“The government funding that is given to outside organisations seems ... to be run by uninformed people not aware of the skills/training required. (small company)*

**7 One of the key challenges lies in changing the framework without making the whole even more complex (e.g. it’s only natural that new qualifications will take time to establish their value from an employer’s perspective).**

To meet the firms’ requirements means having a framework that flexes to companies’ diverse needs and their way of operating as well as making sure that will be appropriate in the broader economy for other sectors. That means having a look at changing some of the structure. But at the same time two-thirds of firms would like a period of stability after all the changes that have been introduced in the last few years.

*“Review accreditation of training; improve access to funds for specialist training (i.e. not NVQs) but specialist skills.” (medium company)*

*“Allow good Sector Skills Councils to take over some of the Learning and Skills Councils’ money earmarked for company training through Train to Gain and let the Sector Skills Councils allocate to companies direct. This will reduce the costs of middlemen and consultants and bureaucracy and give Sector Skills Councils more of a profile with employers. Hopefully they can then earn their respect and achieve credibility.” (big company)*

*“Amalgamate the various sources of funding to ensure a clearer understanding and make it easier to access” (medium size company)*

*“Help funding -- most SMEs are unable to train people because they can’t afford it. In turn the companies struggle with change.” (small company)*

*“Grants for young people, tax incentives for other workers.” (small company)*

## **8 These companies want specifics. Only 17% agree that NVQs meet their needs**

The use of training incentives (e.g. tax relief specifically related to training) would be a more practical encouragement, because as one respondent puts it: "It would be stupid to pass up free money". Nine in ten firms say that if they know how to access funds to train their people they will use them, so they are open to the right sort of offer.

However, all will be for nought if the training offer doesn't meet the companies' direct needs. They clearly think that they know best when it comes to training their people as 76% believe that they would be better off arranging it themselves.

*"Government should examine ways to encourage firms to take on and train youngsters who have the right attitude to work, without setting up a large bureaucracy to administer it."* (small company)

*"The level of skill required in our sector is far in excess of what the training providers can cope with."* (small company)

*"More funding should be spent on specialist skills training."* (medium size company)

*"The training we carry out is specific to our company and would not benefit from any government help from these organisations."* (small company)

## **9 There's a huge communications gap to fill. Less than a third of respondents believe they have a good understanding of the training support that's available.**

If there isn't a clear and open exchange of information through the system a mismatch could open up between the government's intentions to make the UK economy skills competitive globally, using a refined framework, and companies' more immediate needs for skilled machine operators, designers, draughtsmen, toolmakers and the like.

Clearly both are important. But while the refined framework will inevitably take time to put in place and prove itself in delivery, many companies most immediate concerns are about having the resources now to continue to compete.

Whatever the assurances that it will be different this time, the problem is that these respondents know very little about the public sector sponsored training organisations. As a result they doubt success and have very sketchy ideas about the organisations' effectiveness.

More than nine in ten firms say they want simple, direct information about training. But one of the training sector's less attractive characteristics is the amount of jargon used, which makes communication with the wider mechanical engineering community more difficult.

To engage the sector is going involve some big changes in communications.

*“Make it easy to find out what funding is available and how to apply for it. One central contact website. Put in a system whereby if a company spends money on training its staff there is some incentive, like tax relief, which must go on training.”* (medium size company)

*“Improve the flow of information so that I am aware of courses/funding available to my business”* (medium size company)

*“Educate us the company to educate our people”* (small company)

*“Make us aware of what is available without referring us to a high charge consultant”* (small company)

**10 Small companies in particular support the idea that trade associations should take on a greater role in training for the sector. Three in five mid size companies and half of the big companies also support the concept:**

*“Trade associations should seek to persuade their members that training is beneficial and signpost to products and providers.”* (big company)

Certainly in an SME dominated sector, trade associations would be well placed to help ‘adapt’ information so that it is truly sector relevant and jargon-free.

Here are some of the ways they could help, but even the biggest associations would be unlikely to undertake more than a few::

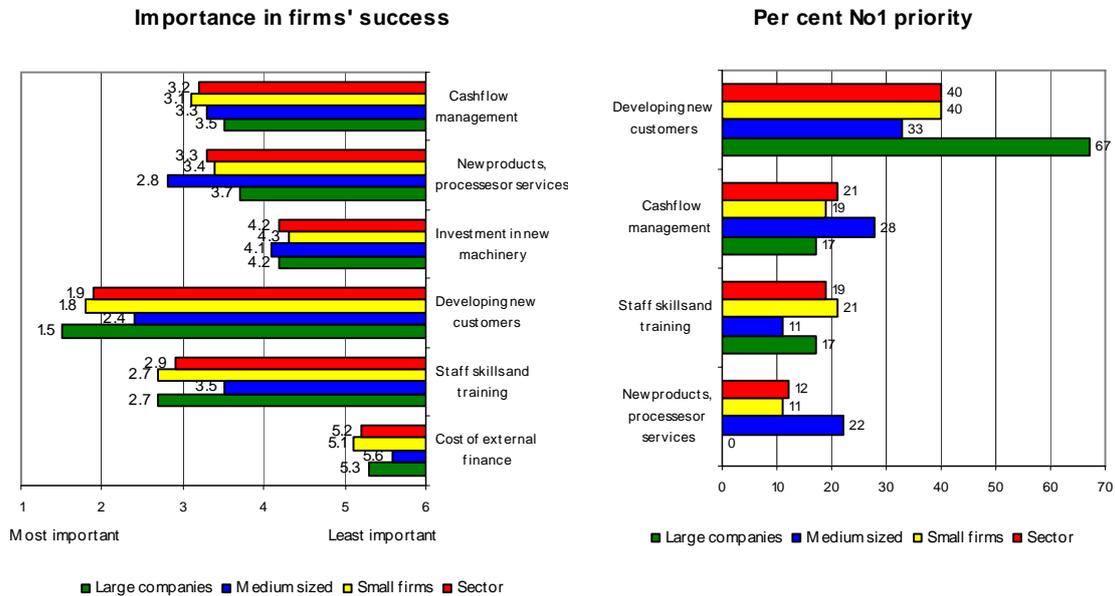
- act as a direct channel of communication to the firms
- provide valuable feedback
- provide advice on their members’ requirements
- identify firms that are going to make the most of new skills and training development opportunities
- help co-ordinate training links in supply chains
- co-ordinate schools activities
- take on a supportive role vis-à-vis schools, developing support materials for use in the classroom
- provide opportunities through their members for young people to have an early experience of what modern manufacturing involves and the different types of jobs that there are in those sorts of businesses.

The problem here, especially on the educational initiatives is a lack of resources. It prevents the trade associations from filling these sorts gaps and catalysing sector involvement.

If trade associations could be ‘incentivised’ for undertaking such activities (e.g. through a 50% grant up to an agreed maximum for working with approved suppliers of educational material), it would not only encourage them, it would embolden them, by making them slightly less dependent on members’ fees for that activity, which is difficult for small companies to underwrite.

## Where training fits as a business priority

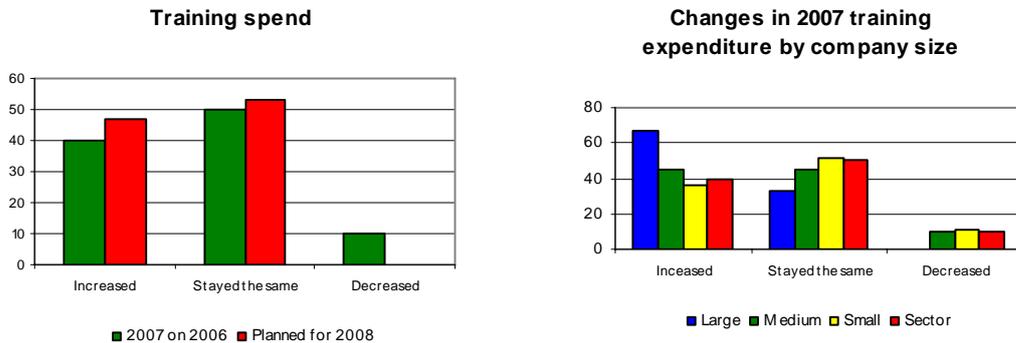
Forty per cent of firms say that *developing new customers* is the number one priority for their future success. *Skills and training* is second followed quite closely by *cashflow*, which receives more first place votes than *skills* (21% vs 18%).



While each company segment puts *developing new customers* as the number one priority, there are some interesting variants below this. For example, medium size firms place *new products, processes and services* and *cashflow management* ahead of *training and skills development* as a priority for their businesses' success.

## Investment in training

To fund the training within the business, two in five firms had increased their training budgets in 2007, and half of them planned increases for 2008. A larger proportion of big and medium size companies increased their training spend than small firms.



Expenditure plans for 2008 were similar across the three segments with approximately half in each group saying they planned increases and half saying that it would stay the same as in 2007.

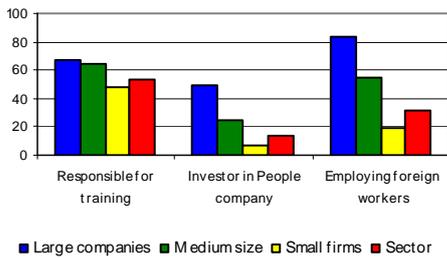
Overwhelmingly all the firms agreed that they trained to survive and struggled to find the people they need.

### Training – current sector practice

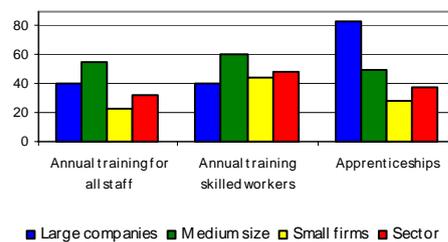
Seven in ten firms run structured training activities in at least one but in many cases in a combination of:

- Annual training for all staff
- Annual training for skilled workers
- Apprenticeships

**Current practice by company size**



**Per cent of companies undertaking annual training**

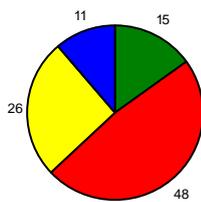


One third of all firms, including nearly a quarter of all small companies have annual training for all their people and half of them for skilled workers (45% for small firms).

Over a third offer apprenticeships.

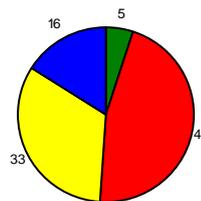
Overall, half the firms committed to training all staff every year said that this took 2-3 days and a quarter 4-5 days.

**Annual days' training for all employees**



■ 1 day ■ 2-3 days ■ 4-5 days ■ 6+ days

**Annual days' training for skilled employees**

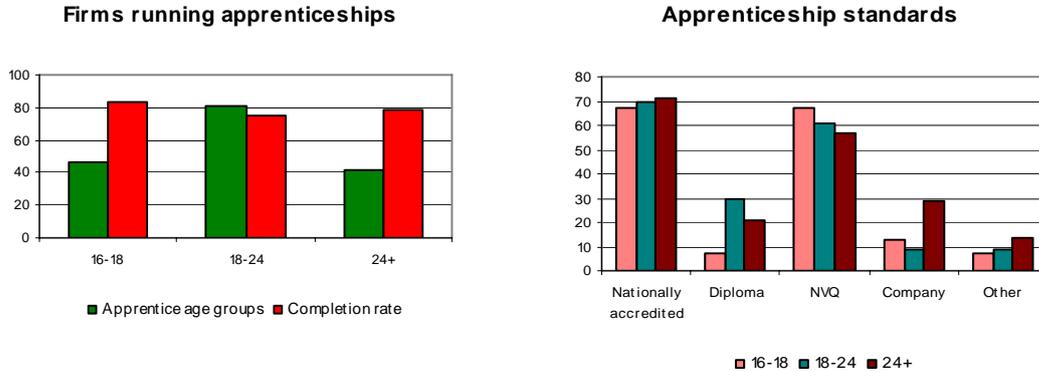


■ 1 day ■ 2-3 days ■ 4-5 days ■ 6+ days

Nearly half the firms annually training their skilled workers said that on average it took 2-3 days, but this time a third said the training lasted 4-5 days and one sixth said 6+.

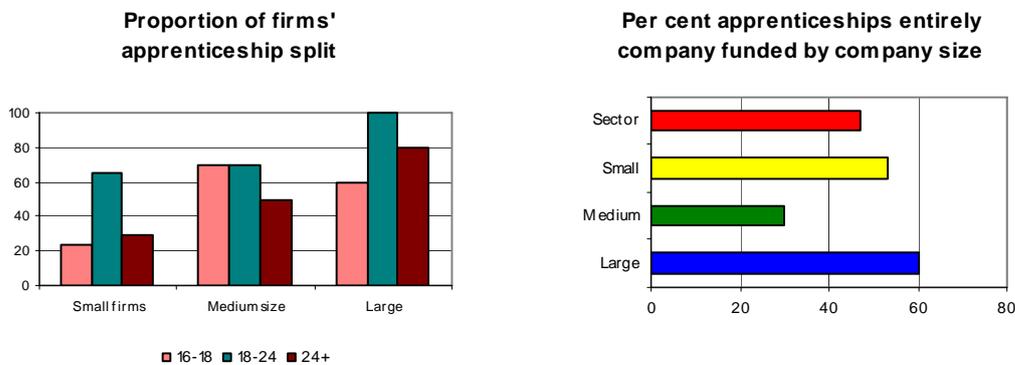
## Apprenticeships

Half the companies running apprenticeships offer them to 16-18 year olds while fully three-quarters run them for 18-24 year-olds. Completion rates are highest amongst the 16-18 year-olds (83%). Completion rates for the 24+ age group are high (nearly 4 in 5) with again about half the firms offering training to this group.



Two-thirds of all companies offering training use national accreditation and NVQs for all three age groups. However, in addition nearly a third of the firms running schemes for 24+ use company specific recognition standards.

Two in five firms running apprenticeships also undertake annual training for all staff, rising to three in five firms offering them alongside other annual programmes for their skilled workers.



### Financial support

Nearly half of all the apprenticeships are fully company funded, including over half of all small company schemes compared with under a third of all apprenticeships run by the firms in the medium size segment.

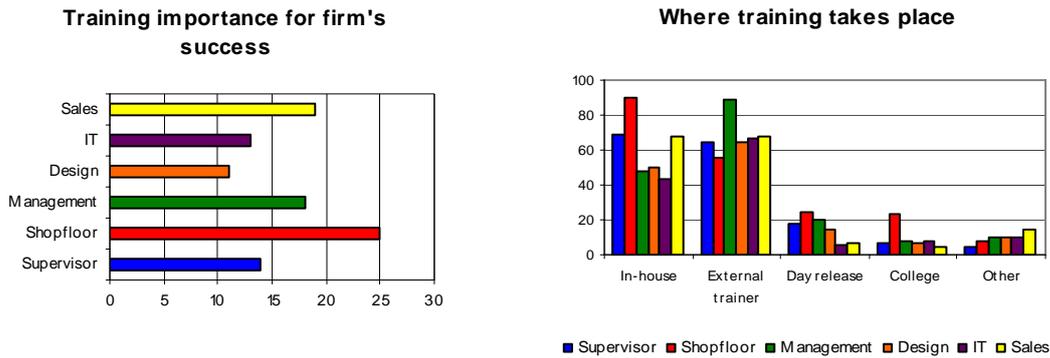
As small firms are much less likely to have someone specifically responsible for training than medium sized companies (48% compared to 65%), it's likely that they are much less knowledgeable generally about what is available by way of financial support. So although only a modest number of the small firms without a specialist actually offer apprenticeships (16%), it may be worth noting half of them fund their apprenticeships entirely without recourse to grants or other support which underlines their importance to the business.

## Training key worker groups for firms' success

Each company was asked to indicate the relative importance of training each of their key groups of workers to the success of the business. They were asked to give each group a score. These scores were then averaged.

Overall, training shopfloor workers was considered the most important, followed by sales and management and then supervisors and then the IT and design functions.

Large and medium size company segments place greater emphasis than the average on the need to train managers (19% and 27%) and supervisors (19% and 21%) and somewhat less on the shopfloor (22% and 18%).



Nine in ten firms providing training for their shopfloor use in-house and half of them also use external trainers.

Day release and college are popular with around a quarter of firms in this category. But many see colleges and day release as fast vanishing options for their specific needs.

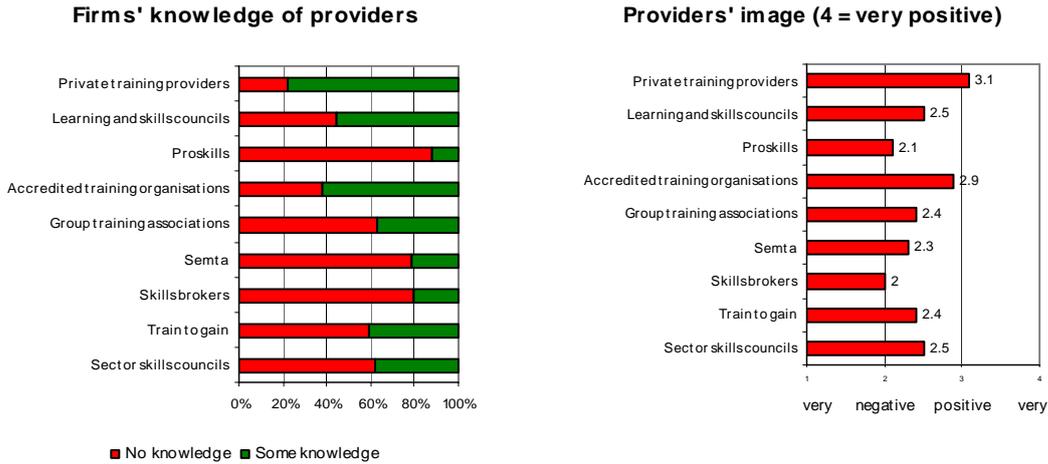
In the other five categories firms mostly opt for in-house and or external trainers.

## Knowledge of skills and training organisations

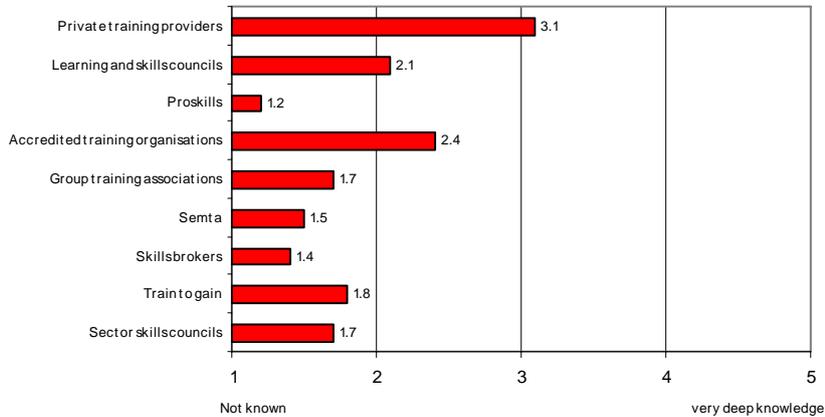
The companies have little and in some cases no knowledge at all of the organisations involved in developing and delivering training support.

Only private training providers have any definite profile. A startling 38-88% of respondents said that they had no knowledge of the other organisations involved.

Even big companies knowledge is effectively restricted on five of the nine organisations we listed.



## Familiarity rating



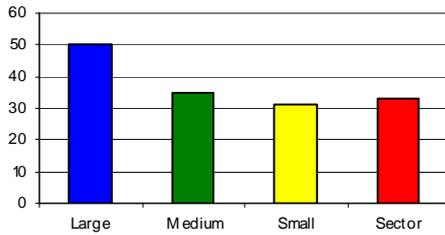
With such low 'familiarity' scores, it is not surprising that respondents tend to give the organisations low marks for effectiveness. The exceptions are private training providers and accredited training organisations. They score pretty consistently across all groups. Also, group training associations score somewhat more favourably amongst the larger companies.

## Role of government funding

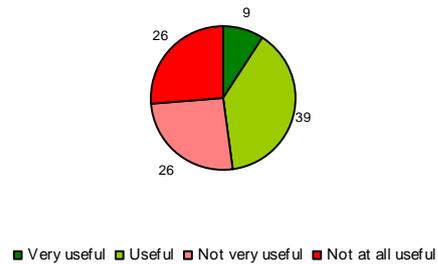
A third of companies (rising to nearly half of the big companies) are aware that the government is making large sums of money available to improve training and skills development.

However, amongst this 'aware' group, opinion is equally split over whether this money will prove useful or not. Approaching two-thirds of small firms say no. Slightly more medium size firms say yes. The big companies split opinions 50:50.

Companies aware of training support



Attitude to government funding available



## **Vox pop**

Respondents' views from: small firms (S), medium size companies (M), big companies (B)

"People in government have no idea how long it takes to train people because they have no direct experience" (S)

"The only reason for accessing government funding is because it reduces overall costs (i.e. it would be stupid to pass up free money). As far as the company is concerned the training would have to take place irrespective of government funding." (B)

"Funding is not fairly distributed either by size of organisation or by value of the training" (M)

"Money will only be useful if it supports the right companies who really need help and that it buys accredited products through accredited providers." (B)

"Training is the responsibility of the company. An encouraging financial framework is the government's responsibility rewarding training effort. Companies should not think they have a right to training grants." (M)

"The level of skill required in our sector is far in excess of what the training providers can cope with" (S)

"So much training is not effective and often too expensive" (S)

"More funding should be spent on specialist skills training" (M)

"College based training has been fragmented and day release is the better option but does not seem to be available. The trend towards full time courses does not provide the practical and technical skills required" (S)

"NVQs are a waste of money. The training available is not based on engineering skills. The experience we have had with colleges is not good. The government funding that is given by way of outside organisations just seems to be ... run by uninformed people not aware of the skills/training required" (S)

"I would train apprentices if it were viable. NVQs are a waste of time. 70% of our training is for engineering technicians. Put more emphasis onto skilled trades and apprentices and less on IT." (S)

"The training we carry out is specific to our company and would not benefit from any government help from these organizations" (S)

"Review accreditation of training; improve access to funds for specialist training (i.e. not NVQs) but specialist skills" (M)

"Allow training for entrants above levels 2 and 3" (S)

"Use people with industrial experience to help with training; don't use people straight out of training themselves as they have no knowledge (S)

"Focus on tangible benefits for small business" (S)

"We struggle to find the people we need that's why we train". (B)

"We train according to business needs and individual capabilities. We select delivery to be cost effective and mostly this is in-house with external trainers." (B)

"We need to train but our budget is very small -- there is too much red tape in other areas sucking our funds" (S)

"The loss of the EITB engineering apprenticeship is a matter of national loss" (M)

"Proper four-year apprenticeships should be re-introduced (S)

"Would like to further professionalise our apprenticeship scheme and see real apprenticeships encouraged and recognised (too much emphasis on academic rather than skills-based qualifications. In addition we would like to see more co-ordinated interaction with schools." (M)

"(Our) first year with an apprentice. We would like to see better coordination of the training activities available. Many organisations are making a big effort but it needs to be coordinated." (S)

"We aim for the first time in years to restart apprentice training and hope for assistance in doing the right thing for both our company and the industry. Train to survive should be an industry motto" (S)

"Simplify the grant/funding system, give employers the tax relief to fund apprenticeship training i.e. apprentice £5k year tax allowance" (S)

"Make it easy to find out what funding is available and how to apply for it. One central contact website. Put in a system whereby if a company spends money on training its staff there is some incentive, like tax relief, which must go on training" (M)

"Improve the flow of information so that I am aware of courses/funding available to my business" (M)

"Educate us the company to educate our people" (S)

"Make us aware of what is available without referring us to a high charge consultant (S)

"Trade associations should seek to persuade their members that training is beneficial and signpost to products and providers. (B)

"Why don't we send our kids aged 11-18 out to Poland, educate them and then bring them back home?!" (S)

"Improve general education so that students are equipped to learn and be trained" (S)

"Encouragement should be given at school to get school leavers into engineering. It is almost impossible to get apprentices in engineering" (S)

"Instruct school leavers at the age of 16 that there is another option than university" (S)

## Testing the focus group statements

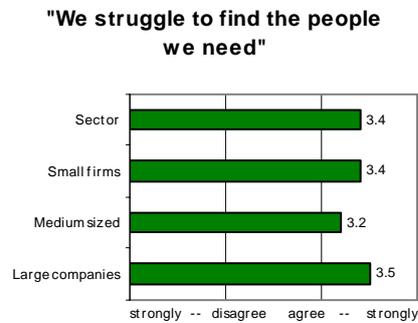
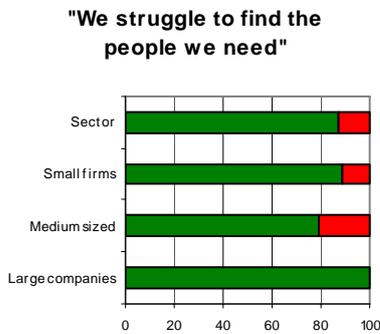
### Summary

AGREE/DISAGREE	SCORE	STATEMENT
<b>Agree strongly</b>	3.5	"We need simple, direct information about training"
	3.4	"We have to train to survive"
	3.4	"We struggle to find the people we need"
	3.4	"Employers are sceptical about government announcements, including about training"
	3.3	"If I know how to access government funds to train my people I will use them"
<b>Agree</b>	3.0	"We are better off arranging our own training"
	2.9	"Trade associations should be more involved in delivering training in my sector"
	2.9	"After so many changes in training standards, we need some years of stability"
	2.9	"NVQ level 2 is not where we want to be"
	2.6	"I am surprised so much public money is being spent on training"
<b>Disagree</b>	2.2	"We have a good understanding of the training support available to us"
	2.1	"Our company is going to do more with local schools"
<b>Strongly disagree</b>	1.9	"National Vocational Qualifications (NVQ) meet our needs"

Note: colour coding for the tables that follow: ■ Agree ■ Disagree

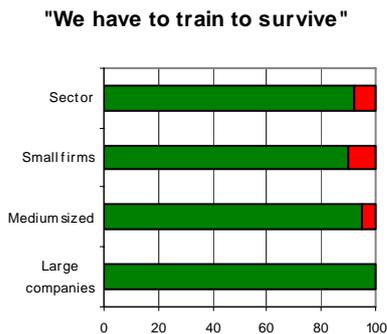
### “We struggle to find the people we need”

Four in five or more companies in each segment agree. The opinions are strongly held across the sector as a whole



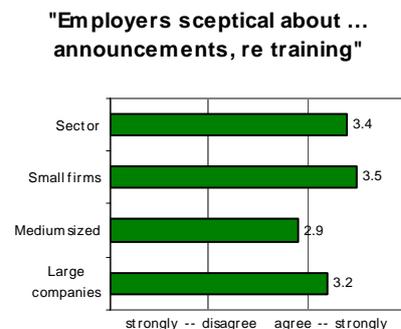
### “We have to train to survive”

Nine in ten or more companies in each segment agree. Again the opinions are strongly held. This is the statement that the large companies say they feel strongest about.



### “Employers are sceptical about government announcements, including about training”

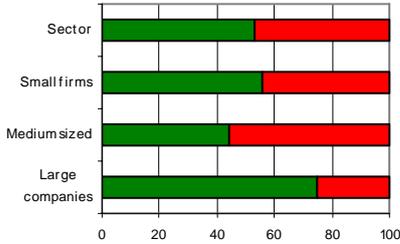
A quarter of the mid-size company respondents disagree, but the large and small company segments are almost unanimous. Overall, the sector view is strongly held.



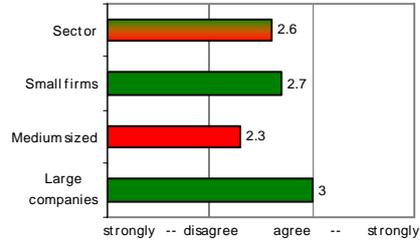
**“I am surprised that so much public money is being spent on training”**

A majority of mid-size respondents combine with important minorities in the other two segments, so that the sector’s view is not one of surprise.

**"I am surprised that so much public money is being spent ..."**



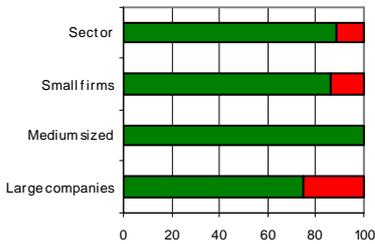
**"I am surprise that so much public money is being spent ..."**



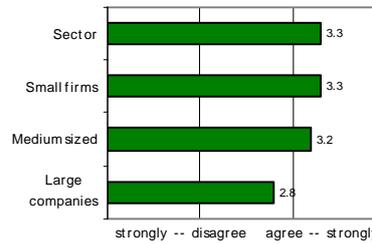
**“If I know how to access government funds to train my people I will use them”**

The overwhelming SME view is to agree strongly. Even three-quarters of the large company respondents agree too.

**"If I know how to access ...funds ... I will use them "**



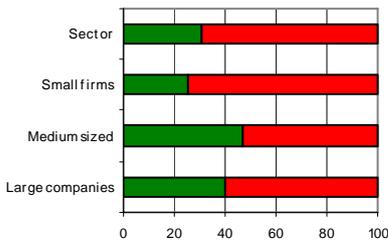
**"If I know how to access ... funds ... I will use them "**



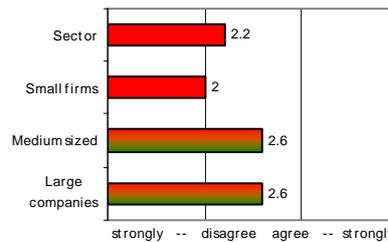
**“We have a good understanding of the training support available to us”**

While respondents in the medium and large companies are clearly better informed, all segments reject the proposition that they have a good understanding of the training support available.

**"We've a good understanding of the support available ..."**



**"We've a good understanding of the support available ... "**



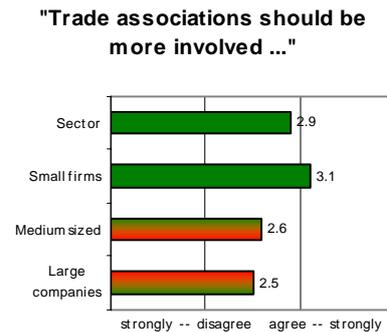
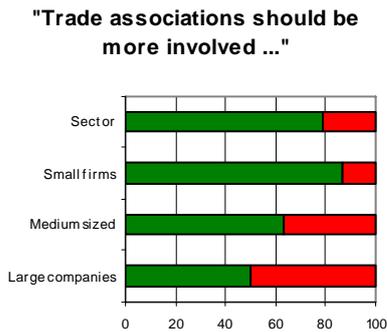
**“We need simple, direct information about training”**

The sector participants say that they feel strongest about this statement with the SMEs giving it their highest endorsement.



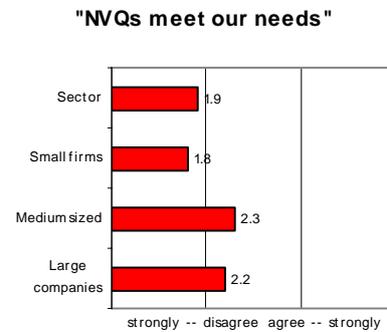
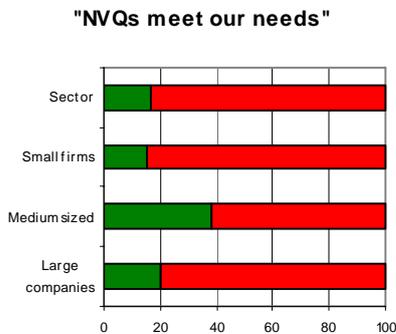
**“Trade associations should be more involved in delivering training in my sector”**

Support for this statement is much stronger among the smaller firms, although two-thirds of the mid-size firms support it, as do half the big companies.



**“National Vocational Qualifications (NVQs) meet our needs”**

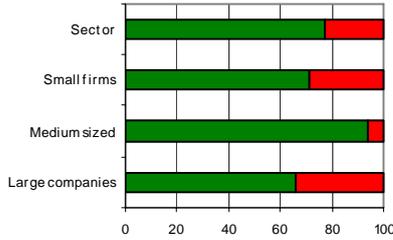
All company segments roundly reject this view of NVQs meeting their needs. The feeling is strongest amongst the small firms. The mid-size segment is the most favourably disposed (38% agree), but even they disagree with a wavering score of 2.3.



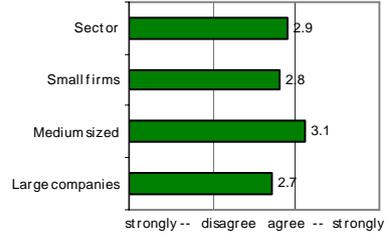
**“NVQ Level 2 is not where we want to be”**

To double check views about NVQs, this statement was included in the negative at one removed from the more general NVQ statement in the bank of questions. The results are consistent rejections of Level 2 across all groups, albeit the feeling among small and large company segments (2.8 and 2.7 respectively) are less strong than for the mid-size companies (3.1)

**"NVQ Level 2 is not where we want to be"**



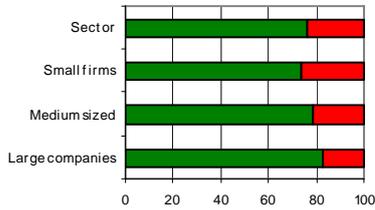
**"NVQ Level 2 is not where we want to be"**



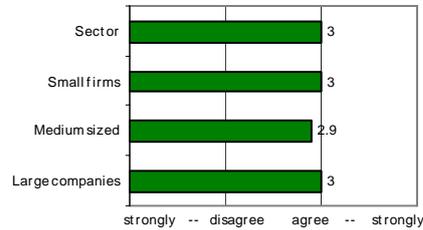
**“We are better off arranging our own training”**

This third statement specifically on training received similar levels of support across all three segments. At the moment companies feel they know best what they need.

**"We are better off arranging our own training"**



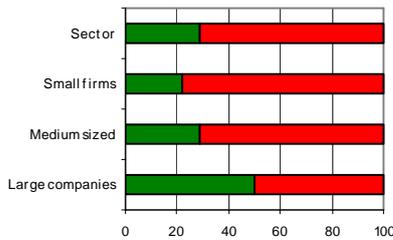
**"We are better off arranging our own training"**



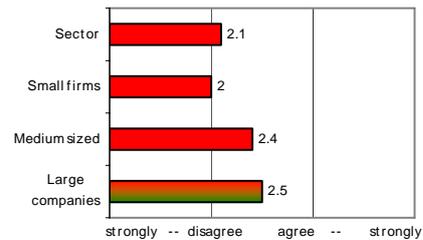
**“Our company is going to do more with local schools”**

Large majorities in each of the three segments disagree that they are going to do more with local schools. Opinion is evenly split among the big companies.

**"Our company is going to do more with local schools"**

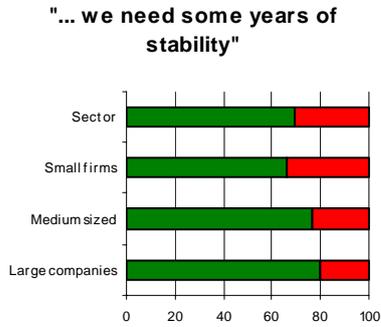


**"Our company is going to do more with local schools"**



**“After so many changes in training standards we need some years of stability”**

While a third of small firms reject the notion, significant majorities support the idea of some years of stability.



## The data tables

TOPIC	SECTOR	SMALL	MEDIUM	LARGE
<b>Company size by number of employees %</b>				
<20	45	65	0	0
20-49	25	35	0	0
50-249	23	0	100	0
250+	7	0	0	100
<b>Average age</b>				
Average age	43	44	43	40
<b>Employ foreign workers %</b>				
Employ foreign workers %	32	19	55	83
<b>Are Investor in People company %</b>				
Are Investor in People company %	14	7	25	50
<b>Have specifically responsible for training %</b>				
Have specifically responsible for training %	53	48	65	67
<b>How does 2007 compare with 2006? %</b>				
Higher+	48	44	55	67
Same	38	43	30	17
Lower --	14	13	15	17
<b>How do you expect 2008 to compare with 2007? %</b>				
Higher+	58	57	50	83
Same	39	38	50	17
Lower --	3	5	0	0
<b>In what order would you place the following? (top 1, bottom 6)</b>				
Cost of external finance	5.2	5.1	5.6	5.3
Staff skills and training	2.9	2.7	3.5	2.7
Developing new customers	1.9	1.8	2.4	1.5
Investment in new machinery	4.2	4.3	4.1	4.2
New products, processes and services	3.3	3.4	2.8	3.7
Cashflow management	3.2	3.1	3.3	3.5
<b>Compared to 2006 has your training spend in 2007 %</b>				
Increased	40	36	45	67
Stayed the same	50	52	45	33
Decrease	10	11	10	0
<b>In 2008 do you expect your training spend to %</b>				
Increase	47	45	50	50
Stay the same	53	55	50	50
Decrease	0	0	0	0
<b>Do you have annual training for: %</b>				
All staff	32	23	55	40
Skilled workers	49	45	61	40
Running apprenticeships or other structured training	37	28	50	83
Apprenticeships receiving government support	53	47	70	40
Entirely company funded	47	53	30	60
<b>Importance of training to company success out of 100</b>				
Supervisor	14	12	19	21
Shopfloor	25	26	22	18
Management	18	16	27	19
Design	11	12	7	16
IT	13	14	10	12
Sales	19	21	15	14
<b>How well do you know these organisations (max 5, min1)</b>				
Sector Skills Councils	1.7	1.5	1.9	2.5
Train to Gain	1.8	1.5	2.2	2.2
Skills Brokers	1.4	1.3	1.5	1.8
Semta	1.5	1.3	1.8	2.3

Group Training Associations	1.7	1.6	1.7	2.7
Accredited Training Organisations	2.4	2.2	2.7	2.5
Proskill	1.2	1.3	1.0	1.2
Learning and Skills Councils	2.1	1.9	2.6	2.8
Private training providers	3.1	2.9	3.8	3.7
<b>How do you rate them (max 4, min1)</b>				
Sector Skills Councils	2.5	2.4	2.5	2.8
Train to Gain	2.4	2.3	2.8	2.0
Skills Brokers	2.0	1.7	3.2	1.7
Semta	2.3	2.0	3.0	2.7
Group Training Associations	2.4	2.1	3.0	3.0
Accredited Training Organisations	2.9	2.7	3.3	3.0
Proskill	2.1	2.0	0	2.3
Learning and Skills Councils	2.5	2.4	2.6	2.2
Private training providers	3.1	3.0	3.5	3.0
<b>Government is making £3 billion available to support training %</b>				
Respondents aware %	33	31	35	50
Respondents think it will be useful + %	48	40	67	50
Respondents think it won't be useful -- %	52	60	33	50
<b>Respondents: agree strongly 4, agree 3, disagree 2, disagree strongly 1</b>				
We have to train to survive	3.4	3.4	3.4	3.5
After so many changes in training standards we need some years of stability	2.9	2.9	3.0	3.0
We struggle to find the people we need	3.4	3.4	3.2	3.5
We are better of doing our own training	3.0	3.0	2.9	3.0
We need simple, direct information about training	3.5	3.5	3.4	3.2
I am surprised so much public money is being spent on training	2.6	2.7	2.3	3.0
Our company is going to do more with local schools	2.1	2.0	2.4	2.5
NVQs meet our needs	1.9	1.8	2.3	2.2
We have a good understanding of the training support available to us	2.2	2.0	2.6	2.6
NVQ Level 2 is not where we want to be	2.9	2.8	3.1	2.7
Trade associations should be more involved in delivering training in my sector	2.9	3.1	2.6	2.5
Employers are sceptical about government announcements, including about training	3.4	3.5	2.9	3.2
If I know how to access government funds to train my people I will use them	3.3	3.3	3.2	2.8

## EAMA Grassroots Survey Skills and Training Questionnaire

EAMA is an alliance of nine trade associations. It presents their shared views to government and opinion formers and is lobbying for training support to be more tightly focused on company needs. Government has introduced a new training support infrastructure and has further plans to help companies. EAMA is going to see Competitiveness Minister Stephen Timms in December and would like to present your views to him. Please help us do that by completing the following questionnaire and returning it by fax or e-mail as appropriate to EAMA's secretary, Rupert Hodges before Friday 7 December. **We want to hear from you all, trainers and non trainers.**

Contact name  Tel no

**A Your company** (Please tick as appropriate)

- 1 **Number of employees**                      <20       20--49       50--249       250+
- 2 **Turnover**                                      under £1.5m       £1.5m--£5m       £5m--£11       £12 m
- 3 **Average age of company workforce** (please estimate with ? to show not known exactly) \_\_\_\_\_
- 4 **Does your firm currently employ any foreign or EU workers?**                      Yes       No
- 5 **Is your company an Investor in People company?**                      Yes       No
- 6 **Do you have someone specifically responsible for training?**                      Yes       No
- 7 **How does business this year compare with last year?** (Tick one only)  
Higher       Much higher       About the same       Lower       Much lower
- 8 **Next year do you expect business to be?** (Tick one only)  
Higher       Much higher       About the same       Lower       Much lower

**B About your company's training activities and priorities**

**11 How important are the following areas for your firm's success?**  
(Please place the following in order from 1 to 6, where 1 is the most important and 6 the least)

	ORDER		ORDER
Cost of external finance		Investment in new machinery	
Staff skills and training		New products, processes or services	
Developing new customers		Cashflow management	

**12 Compared to 2006, has your spend on training in 2007?** (Please tick as appropriate)

- increased       stayed the same       decreased

**13 In 2008, do you expect your spend on training to?** (Please tick as appropriate)

- increase       stay the same       decrease

**14 Do you have annual training for the following?** (Please tick as appropriate)

- All staff                      Yes       If yes, please estimate number of training days per employee a year \_\_\_\_\_  
   No
- Skilled workers              Yes       If yes, please estimate number of training days per employee a year \_\_\_\_\_  
   No

- 15 a) Do you run an apprenticeship or other structured training programme? Yes  No
- b) Does it benefit from government funding/support Yes  No
- c) Is it entirely funded by the company? Yes  No
- d) Is it part funded by the company? Yes  No
- e) If yes to a) or b) above, please tick all that apply for each age group, a recognition standard and indicate the approximate completion rate

AGE GROUP		% APPROX COMPLETION	NATIONALLY ACCREDITED	DIPLOMA	NVQ	COMPANY	OTHER
For 16-18	<input type="checkbox"/>	_____	<input type="checkbox"/>				
For 18-24	<input type="checkbox"/>	_____	<input type="checkbox"/>				
For 24+	<input type="checkbox"/>	_____	<input type="checkbox"/>				

- 16 a) How important is training in each of the following groups for the success of your firm? (Please give each a value so that the total of all the points you give adds up to 100)

b) And for each where do you expect to do the training? (Tick all that apply)

	TOTAL 100	IN-HOUSE	EXTERNAL TRAINER	DAY RELEASE	COLLEGE	OTHER
Supervisor	_____	<input type="checkbox"/>				
Shopfloor	_____	<input type="checkbox"/>				
Management	_____	<input type="checkbox"/>				
Design	_____	<input type="checkbox"/>				
IT	_____	<input type="checkbox"/>				
Sales	_____	<input type="checkbox"/>				

- 17 a) How familiar is your firm with any of the following?

(Please score familiarity between 1 and 5 where 1 is not known and 5 is very deep knowledge)

b) Where you have some knowledge of the organisation how do you rate them?

(One tick for each organisation please)

HOW FAMILIAR? (1 UNKNOWN 5 HIGH)	ORGANISATION	HOW DO YOU RATE THEM?			
		Very positive	Fairly positive	Fairly negative	Very negative
_____	Sector Skills Councils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	Train to Gain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	Skills Brokers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	Semta	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	Group Training Associations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	Accredited training organisations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	Proskills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	Learning and Skills Councils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	Private training providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**18 Is there anything that you would like to see government do with any of these organisations that will help you improve or increase training in your company?**

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**19 Government has made £3 billion available to support company training and skills development to increase UK competitiveness.**

Are you aware of this? Yes  No

**If yes, what is your overall impression? (please tick one only)**

Very useful  Useful  Not very useful  Not at all useful

**20 Do you agree or disagree with the following statements? (Please tick one box for each issue).**

	AGREE STRONGLY	AGREE	DISAGREE	DISAGREE STRONGLY	DON'T KNOW
"We have to train to survive"	<input type="checkbox"/>				
"After so many changes in training standards, we need some years of stability"	<input type="checkbox"/>				
"We struggle to find the people we need"	<input type="checkbox"/>				
"We are better off arranging our own training"	<input type="checkbox"/>				
"We need simple, direct information about training"	<input type="checkbox"/>				
"I am surprised so much public money is being spent on training"	<input type="checkbox"/>				
"Our company is going to do more with local schools"	<input type="checkbox"/>				
"National Vocational Qualifications (NVQ) meet our needs"	<input type="checkbox"/>				
"We have a good understanding of the training support available to us"	<input type="checkbox"/>				
"NVQ level 2 is not where we want to be"	<input type="checkbox"/>				
"Trade associations should be more involved in delivering training in my sector"	<input type="checkbox"/>				
"Employers are sceptical about government announcements, including about training"	<input type="checkbox"/>				
"If I know how to access government funds to train my people I will use them"	<input type="checkbox"/>				

**Do you have any other comments?**

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**PLEASE RETURN YOUR COMPLETED QUESTIONNAIRE TO: Rupert Hodges at EAMA Fax 020 7298 6430 e-mail: [ema@mta.org.uk](mailto:ema@mta.org.uk) post: 62 Bayswater Road, London W2 3PS**