



Northern Ireland  
Assembly

## Research and Information Service Briefing Paper

Paper 100/13

27 March 2013

NIAR 225-2013

**Eóin Murphy**

# Barriers to employer led training programmes

## 1 Introduction

The following paper will consider the perceived barriers to employer led training programmes designed to encourage young people into employment.

Skill's training is provided in two main ways:<sup>1</sup>

- **Government sourced:** via a variety of training programmes (such as Apprenticeship schemes, back to work programmes) and education via the Universities and regional colleges (including through the provision of funding);
- **Employer-led:** employers have a key role in training employees, either new staff or the skills development of long term employees. This ensures a company keeps up to date with technological innovation, changes within the industry, and can drive its own innovation programmes.

As found by the National Audit Office (NAO):

*Most employers provide a considerable amount of training in-house. This may be informal on-the-job training, which can be appropriate and cost*

---

<sup>1</sup> National Audit Office, Employers' perspectives on improving skills for employment, 2005  
<http://www.nao.org.uk/report/employers-perspectives-on-improving-skills-for-employment>

*effective, particularly in smaller organisations where it may be difficult to provide a temporary replacement for a key member of staff. Often employers use private sector consultants and experts to help them. Business and organisational needs inevitably and appropriately drive every employer's decisions about how much time, money and effort to put into training.*

This paper will consider the barriers that may exist which restrict employers fully engaging in the training of employees and, in some circumstances, apprentices and trainees. It will also consider any barriers created via legislation.

## 2 Legal Restrictions

There are no identified legal restrictions, other than those which are included within normal working practice, such as Fair Employment or Minimum Wage Legislation.

There is some legislation in place which impacts on the employment of young people, and could, therefore restrict aspects of training. These include:<sup>2</sup>

- **Working Time Amendment Regulation:** Working time for young people is limited to forty hours a week and eight hours a day. Young people are not allowed to work during a "restricted period" of 10pm and 6 am. A break of 30 minutes must be provided if they work more than four and a half hours. Workers aged 18 and over are entitled to:
  - 5.6 weeks holiday a year;
  - Work no more than six days out of every seven, or 12 out of every 14;
  - Take a 20-minute break if they work more than six hours at a stretch; and
  - Can only work a maximum 48-hour average week.
- **National Minimum Wage (NMW):**<sup>3</sup> At 18, most workers should be paid at least the NMW, which is, from 1 October 2012:
  - £4.98 per hour for people aged 18 to 20;
  - £6.19 per hour for those aged 21 and over; and
  - £2.65 per hour for apprentices aged under 19 or those aged over 19 in the first year of a contract of apprenticeship.

Apprentices aged 19 or over who have completed at least one year of their apprenticeship are entitled to receive the full NMW rate applicable to their age.

- **Fair Employment and Treatment (Northern Ireland) Order 1998:** Allows for the use of 'Affirmative Action' - action designed to secure fair participation in employment by members of the Protestant or Roman Catholic communities.

<sup>2</sup> Health and Safety Executive, Employing young people in the workplace, [http://www.hseni.gov.uk/leaflet\\_employing\\_young\\_people\\_in\\_the\\_workplace.pdf](http://www.hseni.gov.uk/leaflet_employing_young_people_in_the_workplace.pdf) and NI Direct, Employment Rights for Young People, <http://www.nidirect.gov.uk/employment-rights-for-young-people>

<sup>3</sup> GOV.UK, National Minimum Wage Rates, <https://www.gov.uk/national-minimum-wage-rates>

It should also be noted that staff may have the right to request time off work for training or studying. As per UK guidance, to request time off for this purpose:<sup>4</sup>

- Staff must be classed as an ‘employee’;
- They must have worked for their employer for at least 26 weeks;
- Training must help staff do their job better; and
- At least 250 people must work in the organisation.

### 3 Identified Barriers

A report by the UKCES examined the impact employer-led groups had on improving skills level in England.<sup>5</sup> Employer led groups included organisations such as the sector skills councils and regional skills partnerships.

The report identified four key activities undertaken by employer-led groups:<sup>6</sup>

- **Set-up:** This stage involves all activities required to establish a group, such as finding a chair and employer representatives, securing initial funding, creating terms of reference and laying out initial governance arrangements;
- **Setting profiles:** Employer-led groups that are setting priorities have usually collected some form of local labour market intelligence and are using this evidence base to formulate a strategic plan. Priorities stated vary and can relate to either thematic employment issues or sector-specific concerns;
- **Setting change in motion:** Employer-led groups in this category are actively looking to make change happen in their local areas; and
- **Meeting employer needs:** Employer-led groups who are able to demonstrate tangible increases in skills levels as well as employment outcomes for a number of individuals are genuinely meeting employer needs.

The report found a number of enabling factors and barriers for employer led groups developing skills. The enabling factors include strong leadership, a clear focus on employer demand and effective collaboration which will help to meet objectives.

The barriers identified are:

- **Constant flux in government policy:** The constant introduction of new policy initiatives and structural change in the employment and skills landscape has compounded efforts by employer led groups to impact upon local priorities;
- **Lack of any formal governance structures or accountabilities:** At the time of writing, regional employer led groups, employment and skills boards and employer coalitions operate on a voluntary basis. Employer-led groups stated that they have

<sup>4</sup> GOV.UK, Training and Studying at Work: Your Rights, February 2013 <https://www.gov.uk/training-study-work-your-rights>

<sup>5</sup> UKCES, Impact review of employer-led groups in England, <http://www.ukces.org.uk/assets/ukces/docs/supporting-docs/employer-voice-impact-review.pdf>

<sup>6</sup> Ibid

limited traction on local priorities with the Skills Funding Agency. Some believe that without a formal governance structure in place, employer-led groups will encounter business leader indifference and will struggle to attract employers to the helm;

- **Funding only attached to national priorities:** Many employer-led groups believe that their delivery of impact is being seriously affected by the fact that the funding available to them is protected around national priorities. Employer-led groups are severely restricted from delivering on local priorities because funding proposals must be aligned to national policy to secure resources;
- **Lack of integration across the employment and skills landscape:** Competition and duplication across government departments serves as a barrier to producing successful training and employment outcomes; and
- **Economic downturn:** The current economic climate is a major barrier cited in delivering employment outcomes. Groups surveyed explained that the recession has affected local businesses ability to participate in delivery and take on new staff. Employers have also demonstrated a reluctance to allocate time for staff training during the downturn.

The report went on to suggest implications for policy makers. These included:

- **A longer term platform for the employment and skills agenda:** Giving government agencies the opportunity to perform across longer term horizons and timescales, policy makers should allow initiatives and structures the time to embed and reward the successfully proven programmes, not just the newer ones;
- **Setting out appropriate governance structures:** This means providing clear delineation of roles and responsibilities across the range of employer led groups. The structural division of labour should be accompanied by coherent reporting lines that feed into those with a greater level of decision making authorities;
- **Funding for local government and skills priorities:** More localised decision making powers that can tactically respond to real time employment and skills issues. With easier access to funds for local priorities employer led groups will be able to deploy resources more quickly to address labour market needs; and
- **System integration:** Reducing duplication across government departments and fostering collaborative working across agencies. The report finds that this would reduce negative competition among stakeholders. Sharing systems, processes and knowledge all contribute to system wide learning for a more responsive employment and skills operation. If these innovative principles can be effectively implemented, both individuals and employers will experience a more consistent and joined up quality of service from frontline delivery staff including employer led group representatives.

Further Barriers to employer engagement in skills development include:

- **Company Differences:** The City and Guilds Centre for Skills Development (CSD) found that large companies are more likely to engage in skills development. They found that a larger company felt they could influence training options or develop something entirely appropriate to their needs and that SMEs found this infinitely more difficult. Finding the time to attend or cover the short-term costs of training or influencing the design of training, can be problematic for SMEs.<sup>7</sup> This may have potential implications for NI as a result of the large number of SMEs in Northern Ireland (89.1% of private sector businesses in NI are Micro businesses with between one and ten employees<sup>8</sup>);
- **Employers Perceptions:** A survey by the CSD found that some employers were wary of engaging in skills development due to a fear that up-skilled employees will be poached by rival companies. In addition, there is the perception that employers are often said to be confused about the training on offer and to have a lack of understanding of local and national systems for vocational education and training;<sup>9</sup>and
- **Bureaucracy:** The BIS Committee found that, when considering taking on apprentices, bureaucracy prevented many SMEs from considering hiring an apprentice in the first place<sup>10</sup> (please note the work of the BIS Committee relates to GB and as such may not be fully relevant to NI).

#### 4 Employer Ownership

The UKCES, in providing evidence to the Committee for Business, Innovation and Skills found that:<sup>11</sup>

*Employers [need] to take greater ownership of the skills agenda, including Apprenticeships and be empowered to develop their staff in the way that most closely responds to business need.*

In a 2011 report, UKCES argued for greater employer involvement (indeed 'ownership') of skills training. It argues that there should be two major shifts in training and upskilling, with a move from government leadership to employer ownership of vocational training for young people aged 16-24, and secondly, to move from provider-led to employer-owned adult workforce development.

It developed five design principles to outline how employer ownership would be beneficial in improving skills development in the UK:<sup>12</sup>

<sup>7</sup> City and Guilds, Centre for Skills Development, Barriers to Employer Engagement,

[http://www.skillsdevelopment.org/knowledge\\_portal/briefing\\_notes/6\\_employer\\_engagement/barriers\\_to\\_employer.aspx](http://www.skillsdevelopment.org/knowledge_portal/briefing_notes/6_employer_engagement/barriers_to_employer.aspx)

<sup>8</sup> DETI, Facts and Figures from the IDBR, [http://www.detini.gov.uk/edition\\_15\\_-\\_facts\\_and\\_figures\\_from\\_the\\_idbr-2.pdf](http://www.detini.gov.uk/edition_15_-_facts_and_figures_from_the_idbr-2.pdf)

<sup>9</sup> Ibid

<sup>10</sup> Committee of Business, Innovation and Skills, Apprenticeships – Engaging employer, November 2012,

<http://www.publications.parliament.uk/pa/cm201213/cmselect/cmbis/83/8308.htm>

<sup>11</sup> Business, Innovation and Skills Committee, House of Commons, Written evidence submitted by the UK Commission for Employment and Skills, 10 February 2013

<http://www.publications.parliament.uk/pa/cm201213/cmselect/cmbis/83/83vw113.htm>

- Employers should have the space to own the skills agenda: Rather than having employers engaging in a government led enterprise, space should be created in order to allow employers to work with employees, unions, colleges and training providers to develop targeted training opportunities, jobs and work experience;
- There should be a single market for skills development: The UKCES identifies that there are two training markets - a publicly funded market providing qualifications built around government priorities, and a private training market delivering skills in response to business need. It found that these markets are not sufficiently aligned and there was a need for a single market that meets the needs of both individuals and businesses;
- Skills solutions should be designed by employer-led partnerships to reach more people and businesses;
- Public contributions for vocational training should move to employer incentives and investments; and
- Transactions should be transparent.

---

<sup>12</sup> UKCES, Employer ownership of skills, <http://www.ukces.org.uk/assets/ukces/docs/publications/employer-ownership-of-skills-web-vision-report-final2.pdf>