



# Access to the Future

The value and worth of qualifications & study at

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**Level 2 & below**

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**Skills &  
Education  
Group**



# Contents

Foreword.....	4
About the organisations .....	6
About the authors .....	7
Executive Summary.....	8
Introduction .....	14
I. Background to this study.....	14
II. Government consultation on Level 2 and below.....	15
<b>1. Methodology .....</b>	<b>19</b>
I. Surveys.....	19
II. Interviews.....	19
<b>2. Literature review: the contribution of learning up to Level 2 .....</b>	<b>20</b>
I. Returns of Level 2 and below to social mobility and the wider economy .....	20
II. Employers' views of Level 2 Learning.....	22
III. Learners' views of Level 2 Learning.....	24
<b>3. Employers' views toward Level 2 qualifications: Survey analysis .....</b>	<b>26</b>
I. Employer's Views towards Level 2 Qualifications.....	26
II. Characteristics of employers who particularly value Level 2 qualifications .....	32
<b>4. Learners' views toward Level 2 qualifications: Survey analysis .....</b>	<b>34</b>
I. Learners and their motivations to learn.....	34
II. Perceptions of Level 2 programmes and motivations for learning .....	36
III. Core and secondary learner benefits of Level 2.....	38
<b>5. Employer's views toward Level 2 and below qualifications: interview analysis.....</b>	<b>40</b>
I. Positive Views .....	41
II. Negative View .....	45
III. Challenges .....	47
<b>6. Reaction and suggestion to the Government review.....</b>	<b>51</b>
I. Agreeing with the issue.....	51
II. Disagreeing with the remedy .....	51
III. The voice of ITPs and Employers Align .....	52
<b>7. Findings and Recommendations .....</b>	<b>54</b>
References.....	62
Appendices.....	64

# Foreword



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**AELP, NOCN, and Skills and Education Group** are delighted to be publishing this important research which we believe lays out an irrefutable case as to the importance and worth of qualifications and study both at and below Level 2.

Entry-level jobs - often the first that an individual takes up - can be easily described as one of the most important positions in an individual's professional career. They are often for those who have little or no prior experience, and lay the foundation for achievement in the workplace by creating and developing skills and behaviours beyond what is taught in school and further education.

Similarly, Level 2 learning is widely accepted as the baseline minimum level of learning required to enter the workplace. The contribution of the Level 2 workforce will also be critical to the UK achieving Net-Zero as well as creating the infrastructure to drive a productive and growing digital economy. The need to attain this basic level of qualification is therefore clear, and for many years there has been a system of “stepping stones” towards it. Our organisations agree that the government’s proposals for post-16 qualifications at Level 2 and below in England will lead to far fewer qualifications being approved for funding in the future. More importantly perhaps, the rationale for the removal of so many effectively ignores the wide variety of benefits and motivations that accrue for both learners and employers in the current landscape, instead focusing on a binary, and largely economically-based, choice between broad transferable skills and occupationally-specific technical skills.



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Through surveys and interviews with employers, learners and training providers, this work clearly demonstrates the numerous factors that must be taken into consideration when considering reform of qualifications at and below Level 2. We jointly urge policymakers – and indeed stakeholders across the sector – to closely consider the nine recommendations it puts forward that we believe can result in the formulation of an effective and fair system of qualifications - one that is understandable, accessible to all, and builds on the successes that have been enjoyed by so many up to now in studying at these levels

# About the organisations

## AELP

Association of Employment and Learning Providers (AELP) is a national membership body, proudly representing around 800 organisations. AELP members support thousands of businesses and millions of learners in England by delivering a wide range of training, vocational learning, and employability programmes. Our members support learners of all ages, in every community, and at every level of post-16 study.

## NOCN

NOCN Group is an educational charity whose core aim is to help learners reach their potential and organisations thrive. The group includes business units specialising in regulated UK and international qualifications, End Point Assessment, assured short courses, SMART job cards, assessment services, consultancy, and research. NOCN Group has been at the forefront of global vocational skills development and apprenticeships for over 30 years.

## Skills and Education Group

Skills and Education Group is a membership body for further education providers with a history dating back over 110 years. We provide high-quality support for the further education and skills sector, and are dedicated to improving lives by championing education and skills-oriented organisations, providers and learners.

Our services include:

- ➔ Professional development opportunities for the sector's workforce
- ➔ Awarding qualifications and end-point assessments through our awarding organisations: Skills and Education Group Awards, Skills and Education Group Access and BIIAB
- ➔ A Foundation championing social mobility in the sector and providing funding to help learners reach their potential.

Together with our members and customers, we make real change in people's lives locally, nationally and internationally.

# About the authors

## Dr Chihiro Kobayashi

Dr. Chihiro Kobayashi is a Research Associate at AELP. She has multiple years of research experience in education for disadvantaged people, specialising in statistical analysis, through her Ph.D. at Cambridge University. She is now driving AELP's research.



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# Executive Summary

This report, based on empirical research with rigorous analysis, raises concerns shared by employers and providers on the government's plan to review post-16 qualifications at Level 2 and below in England, which is anticipated to lead to far fewer qualifications being approved for funding.

The proposals, aimed at reducing a landscape of what is acknowledged to be too many qualifications at these levels, would group them into bandings that reflect what is considered to be their main purpose, whilst reducing the overall number that can be funded from around 3,000 that are in scope to nearer 750. The rationale for much of this cull is unclear, despite several attempts by AELP and others to clarify the criteria being used.

Most of the empirical studies in the area of qualifications at level 2 and below focus on economic benefits such as earnings and employment. Anecdotally, it was felt that their benefits go beyond this and that the government's proposals missed these important elements. Therefore, we examined the more holistic benefits of these programmes of study to understand how far (or even whether) such views were shared across different parts of the sector. We found evidence of a great range of motivations for study at Level 2 and below, but perhaps more interestingly, an alignment between providers and employers that learners gained important benefits worth keeping beyond those that directly impact on economic fortunes.

## In summary, we found:

### ➔ **Employers value Level 2 and below qualifications, and recognise their benefits both for their organisations, and for their staff as individuals**

Many employers told us that training employees in Level 2 learning improves staff recruitment, retention, productivity and performance. Others commented on their value in social development and social mobility, and on soft skill improvements such as confidence and self-esteem.

In interviews we found the vast majority of employers viewed existing Level 2 and below qualifications positively, with many of them seeing them as stepping stones for future progress - the first step on the ladder to enter the workplace, and often essential to fill entry-level positions. All these findings echoed what training providers told us about qualifications at Level 2 and below, and we were able to glean a number of instances from learners themselves on these lines of exactly how their lives had been impacted by them.



### ➔ **Employers reward those who have or attain these qualifications**

These qualifications make a difference for employers. Those who value qualifications at Level 2 and below – and there are many - are more likely to promote employees who achieved them, which can improve employees' confidence and help them make a solid career path. This association of promotion opportunities resonates with the pride and confidence that learners expressed to us in their studies and achievements, which needs to be borne in mind when the rationalisation of qualifications at and under Level 2 is being proposed largely based on economic and productivity considerations.

### ➔ **Learners value Level 2 and below qualifications for a wide variety of reasons**

The top two benefits that learners expect from programmes at or below Level 2 were improving their skills and being more confident. Nearly 80% of survey respondents agreed Level 2 programmes increase vocational and technical skills, nearly 80% of learners agreed they improved their soft skills, such as communication and teamwork skills, and about 75% of learners agreed that they increased confidence.

This highlights the holistic benefits of these levels of study for learners; not solely improving skills but contributing to personal development too. Some of this may stem from the demographics of learners at level 2 and below, who often come from disadvantaged backgrounds – for example, around 20% were either on FSM or have disability or learning difficulties – and who for whatever reason may have limited experience of previous achievements. For this reason, study at Level 2 and below can re-engage “lost” learners who have previously had unsuccessful or unpleasant experiences in the education system.

### ➔ **There are challenges around Level 2 learners and programmes**

Some employers told us they found that there was low awareness of the qualifications available (even though there are so many of them), and specifically apprenticeships. Learners and their parents and guardians often question their worth compared to academic qualifications and routes to learning.

Furthermore, independent training providers (ITPs) also mention that households on benefits are often afraid of losing these due to an apprenticeship, and the benefits system therefore works against efforts to support people into jobs. All these factors can impact on lowering recruitment and retention to programmes which clearly both learners and employers gain great benefit from.

### ➔ **There is significant alignment in reactions to the government's review of Level 2 and below by both demand-and supply-side actors**

Whilst respondents generally agreed with the government's intention to review post-16 qualifications at Level 2 and below, the majority disagreed with their proposals on how to go about it.

Whilst a need to standardise and simplify the landscape is acknowledged, on the other hand there is also widespread agreement amongst employers and providers that the proposals as they stand could easily remove stepping stones for people from disadvantaged backgrounds, which will indirectly mean ignoring a pool of potential talent. These people may not be in a position to attempt level 3 qualifications but do not have a place to go if Level 2 qualifications are removed. Of particular note is the employer who told us that, “Level 2 is an access. It’s the point at which the future becomes accessible.” There was noticeably little (if any) positive views of the view that Level 2s could be removed and their skills integrated at an early stage of Level 3 qualifications instead.

## Our considerations and recommendations

The alignment of views across all respondents in our research – learners, employers and providers – as to not only the value of Level 2 and below qualifications, but also their reactions to the proposals put forward by the government to address a generally agreed view that the system as it stands, is very noteworthy. It is easy to sometimes sideline the concerns of supply-side operators as vested interests – this is more difficult when those nominally in the driving seat have almost exactly the same reservations.

Overall, qualifications at Level 2 and below are recognised to not only have benefits in terms of improving technical skills and knowledge amongst learners but also to confer much wider indirect and soft skills to learners. Given that a significant proportion of learners at these levels come from disadvantaged backgrounds and have lower levels of previous educational attainment, this should be properly accommodated as a fundamental part of the offer. Although not specifically part of this study, we also noted the startling lack of progression of some disadvantaged groups – notably SEND learners – from Level 2 to higher levels of learning, and recommend further exploration of this question.

Studies at Level 2 and below often act to re-engage otherwise “lost” learners by recognising and celebrating early skills achievements. The idea that Level 2 skill requirements could be subsumed into the beginning of a Level 3 qualification was generally felt not to be a realistic proposition as it completely ignored this aspect of why people study at this level in the first place.

There is considerable and widely-held concern that the government’s proposals do not take any of this sufficiently into account – it was felt that qualifications at all these levels should retain the ability both to specialise or progress in particular skills and occupations AND to give a broader “taster” of what such roles may entail without commitment, whilst conferring softer and transferable skills development. As it stands, proposals to group qualifications into a binary structure of **either** occupationally-specific technical skills, or broad “tasters”

and soft skills are not generally supported. There is no reason why both cannot take place at the same time alongside celebration of low-level but important achievements and increments in learning, and plans to defund a large number of qualifications may mean that not enough are left to enable this crossover to happen.

We also noted that literacy and numeracy skills at Level 2, whilst important in their own right, are not as valued as technical skills at these levels. English GCSE and maths and English Functional Skills appear almost equally recognised and demanded by employers, but there is a concern that the content and delivery of Functional Skills qualifications is becoming increasingly academic in nature, removing the differentiation in delivery and assessment that employers value. This asks further questions as to whether literacy and numeracy qualifications, particularly but not exclusively GCSEs, are as appropriate to individual and employer need as the government currently considers them to be.

Many learners and parents still tend to think of academic qualifications as the “gold standard”, but employer respondents in this sample viewed them as being of equal value with technical equivalents. This perception however is not reaching the constituencies that it needs to (i.e. learners and their influencers) which raises questions about how well careers, information, advice and guidance (CIAG) arrangements are working. The fact that employers see the “poaching” of qualified staff at Level 2 and below as a challenge in just the same way as is more normally associated with higher levels of skills and learning is also something that clearly the wider public (and perhaps the government too) do not fully appreciate.

Concerningly, 13% of our learner respondents did not know what qualification or level they are studying. This is a long-recognised problem and the fact it is still an issue should ring considerable alarm bells.

What also comes through is that difficulties in engaging young people can often result from previous bad experiences in the education system, where they have either not succeeded through it or have disengaged completely. This can lead to an entrenched “learned helplessness” where any further attempts to overcome these challenges are treated by the learner as a lost cause. This infers that consideration should be given to amendments to the pedagogy, content and approaches of the compulsory education phase, in particular making them more appropriate to wider ways of learning and assessment than simply academically-based assessments through examination.

As a result of these findings, we have formulated nine recommendations that we believe the sector – employers, providers and government – need to consider and action in order to fully utilise the recognised worth and value of qualifications and study at Level 2 and below.

- 1. Policy must be evidence based, taking account of what it is being told rather than pursuing an end in its own right.** If it considers such evidence but decides to proceed in spite of it, proposals must be clear on the rationale as to why this is happening.
- 2. No system of qualification or progression should be arranged in such a way as to contribute to “learned helplessness” by promoting unrealistic expectations of achievement.**
- 3. The current government consultation on the future of qualifications at Level 2 and below is in danger of implementing a system of qualifications that does not recognise or accommodate the purposes and benefits for which they are recognised by their users and beneficiaries.** It is counter-productive to merely propose that the number of qualifications at Level 2 and below should be reduced without taking into account and accommodating the very many reasons and motivations that learners engage with them, and why employers value them.
- 4. Proposals to include Level 2 skills at the beginning of Level 3 qualifications ignore the importance of establishing and recognising basic technical skills and good practice that deserve to be recognised and accredited in their own right.** This is vital to serve the purpose of re-engaging and retaining learners in learning experiences.
- 5. Further research should be undertaken to establish why there is a lack of progression from Level 2 by certain groups – particularly SEND learners.**
- 6. The need for specified types of qualification in literacy and numeracy is far less important than the need to find the right way to teach and assess such skills to the standards required by employers.** Changes in the content and delivery of Functional Skills in English and maths are in danger of making them converge with that of GCSE instead of providing a high-quality alternative learning and assessment route to the same level of ability.
- 7. Information, advice and guidance (IAG) strategies must look to address not only young people but those who have major influence over their decisions such as parents and guardians.**
- 8. IAG must also do more to dispel the view that vocational qualifications are a “second best” behind academic qualifications at the same level.** Despite the fact that technical skills are clearly highly valued by employers even at Level 2, the perception remains that academic qualifications are a “gold standard”, giving vocational qualifications an undeserved stigma.
- 9. Apprenticeships, particularly at level 2, must align more coherently with benefit rules to ensure that there are no unwanted incentives to not participate or cease participation.**

In the report following, we look at the data we gathered that led us to the conclusions in more details. We urge the sector as a whole – providers, employers and government - to consider this report and action its recommendations, understanding and properly allowing the full benefits to be derived from qualifications and study at Level 2 to learners, employers, and society.



# Introduction

## I. Background to this study

Entry-level jobs - often the first job that an individual takes up - can be easily described as one of the most important positions throughout an individual's professional career. They are often for individuals who have little or no prior experience in the field. These positions lay the foundation for achievement in the workplace by creating and developing skills and behaviours beyond what is taught in school and further education. They are more commonly practically based jobs rather than academically based and play an important role as an entrance to the workforce, developing responsibility, commitment and teamwork and acting as a stepping stone in an individual's career, to learn skills that will carry over to future jobs.

Level 2 learning is widely accepted as the baseline minimum level of learning required to enter the workplace, as demonstrated by the requirement to sit GCSE examinations at Level 2 at age 16 as a precursor to entering working life. Level 2 qualifications "... (recognise) the ability to gain a good knowledge and understanding of a subject area of work or study, and to perform varied tasks with some guidance or supervision. Learning at this level is appropriate for many job roles" (National Audit Office, 2005, p.33).

There are a wide variety of recognised Level 2 qualifications, including;

- ➔ GCSE – grades 9-4 or Grades A\*-C;
- ➔ Intermediate apprenticeships;
- ➔ RQF technical and vocational qualifications
- ➔ National Vocational Qualifications (in some sectors)
- ➔ Level 2 awards, certificates and diplomas;
- ➔ ESOL;
- ➔ Functional skills (particularly English and maths);
- ➔ and legacy qualifications such as O level- grade A-C, and CSE grade 1

Ofsted (2018) describes that Level 2 programmes perform two important roles. The first role is preparing learners for work who already have a clear career aspiration but no or not enough experience in it. The second role is to support the wider needs of learners who are not ready to progress to level 3 qualifications or to commit to a specific vocational route.

Level 2 qualifications play various roles for individual need; for example as a stepping stone for further education, a terminal qualification, or preparation for work. Although post-16 programmes at Level 2 tend to be seen as programmes for students who have low prior achievement, this is not always the case. Even for those who do attain a basic GCSE-level education, the difference between work-based and academic settings is such that further Level 2 learning of a more practical type may still be required in order to get them ready for working life. Moreover, it is also the case that for many, the jobs they take on (or plan to take on) may not require skills above Level 2. It is therefore important to them that learning up to this level is self-contained and can act as a terminal qualification, at the same time as providing the basis for progression to further learning if this should be appropriate. Therefore, Level 2 qualifications are minimum qualifications that are tremendously important in preparing individuals for working life. In some sectors such as construction, hospitality and social care, Level 2 programmes provide the bedrock of the workforce.

Nevertheless, nearly one-third of young people fail to achieve Level 2 by 16 despite this having been the primary objective of the compulsory education phase, and many therefore continue their studies post-16. The Department for Education (2020) reports that amongst enrolments at Level 3 or below by 16 to 18 years olds, 67% are at level 3, but the remaining 33% are still at Level 2 or below. Even though it is now compulsory to remain in some form of education in England up to the age of 18 and students therefore stay in education longer, significant numbers are likely to leave this phase without minimum level qualifications for work. The Children's Commissioner for England (2020) highlights that almost one in five (18%) of all children at 18 in England left school without reaching Level 2 attainment in 2018. This is a 24% increase on the period between 2015 to 2018.

Despite this concerning finding, the government's plan to review Level 2 and below qualifications could potentially lead to far fewer programmes at these levels, which may in turn lead to removing opportunities for learning at further education from younger people, particularly those who are from disadvantaged backgrounds. The Social Mobility Commission (2019) makes this point, warning that Level 2 provision is not being addressed in a holistic way leading to a hollowing out of opportunities at Level 2, which may lead many disadvantaged people to stop their qualifications.

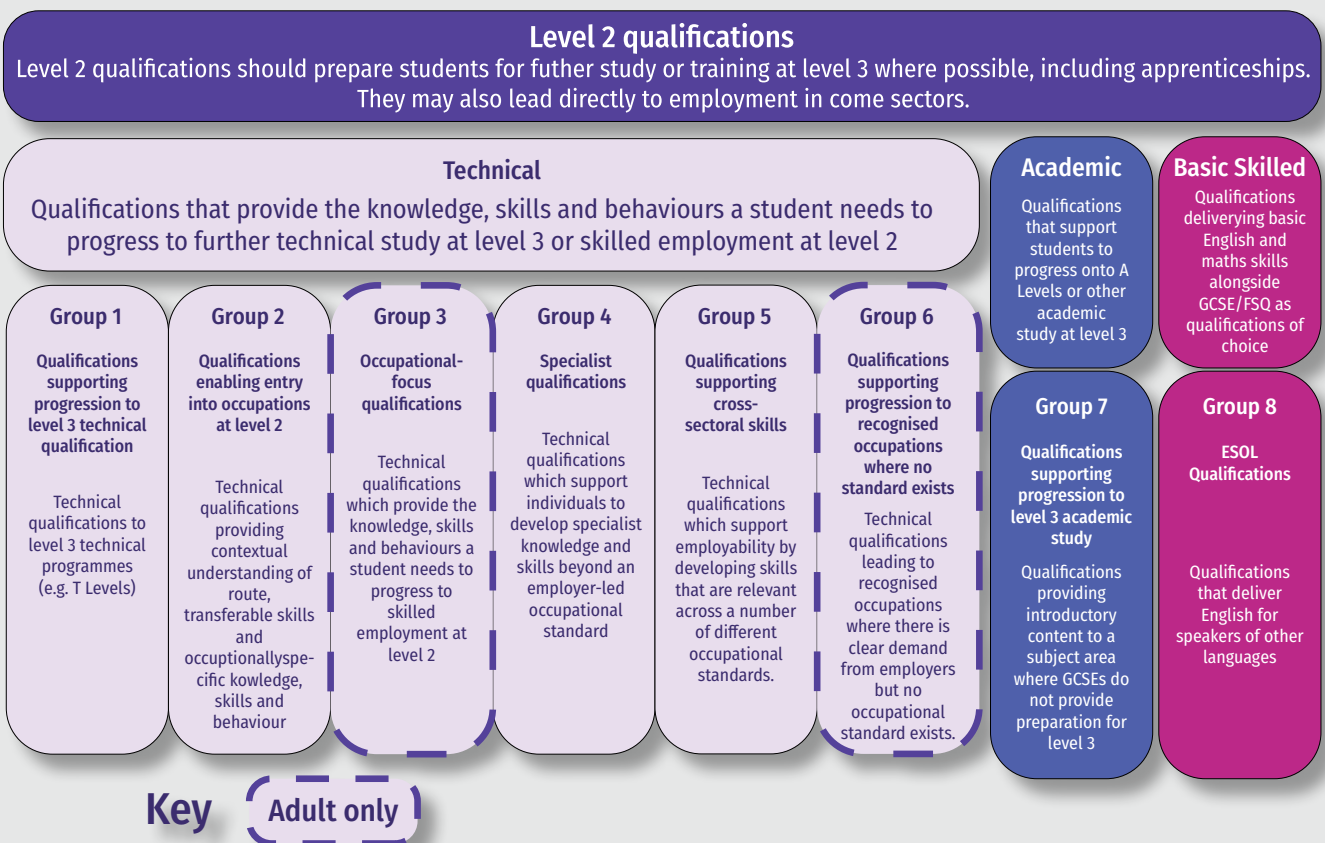
## II. Government consultation on Level 2 and below

While the importance of Level 2 and below qualifications are studied by many researchers from economic perspectives, including research papers by Department for Business Innovation & Skills (2011; 2013; 2013; 2014), few researchers focus or provide evidence on the other aspects of their wider worth in terms of personal and social development. It is important to understand the worth of Level 2 more holistically, because economic benefit is not everything for employers and learners.

In March 2022 the Department for Education (2022) published a consultation titled “Review of Post-16 Qualifications in England” which followed policy statements of changes to qualifications to Level 3 qualifications the previous year. This stated that with in excess of 8,000 qualifications at Level 2 being approved for funding, the UK was not only out of kilter with competitor economies (such as the Netherlands which has fewer than 500), but was compromising its ability to deliver a “future-facing” qualifications system that would serve both employers and learners through a more consistent focus on quality rather than quantity. The proposals recognised the value of choice within the existing landscape but declared a need for a simpler system that was easier for all interested parties to navigate and which would give students “the skills and knowledge they need to achieve strong outcomes, whether progressing to higher levels of study, into employment, or into an apprenticeship.”

Its proposals therefore sought to divide qualifications into groups according to their primary purpose, as shown in the graphics below:

**Figure 1: Proposed Landscape for Level 2 and Below Qualifications**





## Level 1 qualifications

Qualifications at level 1 should focus on progression to level 2 programmes that provide a route to sustainable employment or work-based pathway such as supported internships, traineeships and apprenticeships

### Pre-technical qualifications

Qualifications relevant to a particular occupational route and which support progression to a level 2 technical qualification or employment

#### Group 9 Qualifications supporting progression to level 2 technical study

Qualifications designed to enable students to progress onto level 2 technical qualifications which provide an exit to employment, or progression to further technical study

#### Group 10 serving as a pre-requisite to employment

Qualifications linked to occupational regulation. These would be taken by students who are unable to attain at level 2, but who want to enter employment to learn on the job.

### Qualifications that are complementary to a student programme

Qualifications that do not form the core aim of a study programme

#### Group 11

Performing arts graded exams and project qualifications

### Basic Skills

Qualifications which deliver basic English, maths and digital skills numeracy for those who cannot directly access FSQs and GCSEs. Includes FSQs and EDSQs which are out of scope of this review.

#### Group 12 Qualifications that deliver basic literacy and numeracy

Qualifications which deliver basic literacy and numeracy for those who cannot directly access FSQs and GCSEs.

#### Group 13 ESOL Qualifications

English language qualifications for speakers of other languages.

#### FSQs

English  
Maths  
Digital

#### EDSQs

## Entry level qualifications

Qualifications at entry level should focus on progression to level 1 “pre-technical” programmes

### Pre-technical qualifications

Qualifications relevant to a particular occupational route and which support progression to pre-technical qualification at level 1, traineeships or supported internships

#### Group 14 Qualifications supporting progression to level 1 leading to technical study at level 2

Qualifications which support progression onto level 1 pre-technical qualifications. These qualifications are for students who are not ready to start a level 1 qualification but who will benefit from being on a clear pathway to their desired career.

### Qualifications that are complementary to a student programme

Qualifications that do not form the core aim of a study programme

#### Group 15 Performing arts graded exams

### Basic Skills

Qualifications which deliver basic literacy, numeracy and digital skills for those who cannot directly access FSQs and GCSEs.

It also includes FSQs and EDSQs, which are out of scope of this review.

#### Group 16 Qualifications that deliver basic literacy and numeracy

Qualifications which deliver basic literacy and numeracy for those who cannot directly access FSQs and GCSEs.

#### Group 17 ESOL Qualifications

English language qualifications for speakers of other languages.

#### FSQs

English  
Maths  
Digital

#### EDSQs

Source: Department for Education

The consultation claimed that these groupings would give each qualification a clear, distinct purpose which would make it easier to direct students to qualifications that will properly meet their needs.

The sector's leading trade body, the Association of Employment and Learning Providers (AELP) were among many to voice concern that these groupings, combined with a plan to dramatically reduce the numbers of qualifications on offer, would mean that qualifications at Level 2 and below were being directed toward primarily economic and productivity ends whilst ignoring that such qualifications serve a much wider purpose for both learners and employers (AELP, 2022). The proposals effectively meant defunding around 90% of existing qualifications for young people and 85% of those for adults at these levels. This would give very little headroom to try and incorporate the very many and varied reasons why learners and employers choose to engage and with these levels of learning, and their recognition of the benefits that accrue.

They also expressed concern that the relative rigidity of the groupings would mean that learners would be given little choice but to specialise in certain occupational areas instead of building a wider and transferable skills base. The consultation also mooted that personal, social and employability (PSE) qualifications were not essential for adults and could simply be embedded within other qualifications, non-regulated learning and work-based training, which AELP believed would be an unwise course to pursue.

In looking at these proposals, it was found that there is a dearth of empirical evidence to support this view, even though it was widely held amongst providers and the supply base in general. As a result, AELP, NOCN, and Skills and Education Group came together to explore these factors in more detail and report on whether such anecdotal viewpoints were in fact borne out by closer investigation. This provides a solid basis for recommendations designed to address the acknowledged issue that the current landscape of these qualifications is too unwieldy, without losing the essence of why engagement with them happens and the wide range of benefits and outcomes that can result.



# 1. Methodology

This research developed five research questions in order to understand the employer's and learners' views toward Level 2 and below qualifications, and to explore their worth more holistically:

- A. What are employers' views toward Level 2 and below qualifications?**
- B. Are these qualifications attractive/not attractive?**
- C. What are learners' views toward Level 2 and below qualifications?**
- D. What are their motivations to take them?**
- E. Are they attractive or not?**

To investigate these, we used a mixed method blending both quantitative and qualitative methods in its design. The advantage of a mixed method is that it is likely to provide rich insights into the data that are hard to fully understand by using only qualitative or quantitative methods (Dawadi, Shrestha, & Giri, 2021). Specifically, this study adopted an explanatory sequential design, which is used to follow up quantitative results with the qualitative data used in the subsequent interpretation and clarification of the results. This two-phase approach is particularly useful because it allows a researcher to explain the findings from the first phase of the study with the qualitative data collected during Phase 2.

Based on the findings of phase 1, topics for further investigation in the qualitative study were decided. The objective of phase 2 was to explore in-depth of the employers' views toward Level 2 and below qualifications. The specific research questions were mostly the same as phase one, though one question, 'What are the challenges employers face regarding Level 2 qualifications', was added considering the results of the quantitative study. The research method was interviews, which were conducted for employers and ITPs and analysed by content analysis.

## I. Surveys

Surveys were used as a data collection method for employers and ITPs and current/completed Level 2 and below programme learners. The surveys were developed to explore views towards Level 2 and below qualifications among employers and learners. The sample design was convenience sampling, and the survey was shared online, such as through email using the AELP mailing list, Twitter, and LinkedIn, between 17th June and 22nd July 2022. In total, we received 82 responses for the employers' survey and 84 responses for the learners' survey. The survey completion rates were 80% and 89%, respectively. The data was analysed by Excel and Stata.

## II. Interviews

In addition to surveys, this research conducted interviews with 15 employers and ITPs from eight different sectors to further examine their views toward Level 2 and below qualifications. The sampling technique was convenience sampling and sampled from survey respondents who agreed to participate in the interview. The interview guide was developed, taking the results of the survey into consideration, and an in-depth interview was conducted in a semi-structured way. All interviews were conducted online using Microsoft Teams meeting, which lasted for 45 minutes to 1 hour per person, and the interviews were conducted between 7<sup>th</sup> July to 22<sup>nd</sup> August.

## 2. Literature review: the contribution of learning up to Level 2

Level 2 and below qualifications are indispensable and crucial to society because of the diverse benefits they provide to different groups. Researchers have investigated this area from different perspectives. This section reports the return of Level 2 and below qualifications from three different perspectives;

- ➔ society and the wider economy;
- ➔ learners
- ➔ and employers.

### I. Returns of Level 2 and below to social mobility and the wider economy

Level 2 and below programmes in the post-16 phase of Further Education (FE) can contribute to improve social mobility, particularly as they tend to attract people from lower socio-economic backgrounds as well as adults returning to learning (Department for Business, Innovation and Skills, 2011).

There are two crucial elements when the role of FE in social mobility is considered: they are an individual's social background, and outcomes they secure after completing FE (Thompson & Simmons, 2013).

#### Social background

The individual's social background is an important element associated with social mobility. Bibby, Cerqua, Gould, Thomson & Urwin (2015) report young people from more disadvantaged backgrounds are less likely to attain high grades in academic disciplines in compulsory education, and more likely to participate in FE. Hence, one of the significant characteristics of Level 2 and below learners is that they are often from disadvantaged backgrounds, such as being of ethnic minorities, having been in receipt of Free School Meals (FSM), or having Special Education Needs or Disability (SEND). As evidenced by the Department for Education (2020), these represent the largest portion of the cohorts learning Level 2 and below programmes.

### ***Ethnic minorities***

The percentage of ethnic minorities is significantly high among Level 2 and below learners aged over 19 years old. While the proportion of ethnic minorities in Level 3 programmes is 15%, that of Level 2 and Entry are 20% and 53%, respectively. Thus, more than half of adult enrolments at Entry Level are students from ethnic minority background.

### ***Free school meals (FSM)***

FSMs are for children in state schools whose families are on low incomes or who receive benefits themselves. Students who were eligible for FSM at age 15 are more likely to study in the Level 2 and below programmes in FE. Whilst 17% of Level 2 learners were on FSM, only 8% progress to Level 3 learning, showing that Level 2 is disproportionately important to FSM learners.

### ***Special educational needs and disabilities (SEND)***

Students learning in Level 2 and below are more likely to be SEND. Particularly, the percentage of SEND students at Entry Level and Level 1 was significantly high at 38% and 33%, respectively, compared to merely 6% at level 3 programme among 16-18 years old students. A similar situation could be found amongst students aged 19 and above as well. (This of course raises a question – not examined in this report but one we would suggest worthy of further research – as to why the proportion of SEND learners progressing declines so suddenly and dramatically.) While learners with learning difficulties and disabilities at level 3 was 12%, the proportion at Level 1 was almost double this figure (23%) (Department for Education, 2020). Therefore, SEND students represent a significant proportion of learners on Level 2 and below programmes regardless of their age.

## **Learners from the most deprived areas**

The locations where students live are clearly associated with the level of their learning at post-16 education. Students from the most deprived areas account for about 17% at Level 3 among 16-18 students. On the other hand, the proportion at Level 2 and Entry Level were 30% and almost 40%, respectively. Likewise, adult learners who are from the most deprived areas are more highly represented at Level 2 or below, with 42% at Entry Level and 39% at Level 1.

## **Previous educational experience**

Additionally, Archer & Yamashita (2003) remark that many young people, age 16 who left school, viewed themselves as ‘not good enough’ and ‘know their limits’ in respect to post-educational routes. Also, the Department for Education (2021) says adult learners tend to have negative experiences of compulsory education and have not been involved in learning since they left school or college. However, Level 2 learners in FE mentioned that a positive experience of FE and adult learning changed their negative beliefs of ‘just like school’ and motivated them to complete their course (Department for Education, 2021).

Therefore, the FE sector has an important role in promoting social mobility because it provides continued access to education for those who are from a range of disadvantaged backgrounds. Moreover, it does so using a wide range of Level 2 and below qualifications that, as this report will show, are used by both employers and learners for a wide range of objectives and outcomes.

## Outcome - Economic benefits

There are some positive findings regarding social mobility, and the outcomes that individuals secure after the completion of FE.

Previous studies show completing Level 2 and below qualifications brings economic and employment benefits for individuals. For instance, the Centre for Vocational Education Research (2017) analysed the benefits of Level 2 and below programmes in employment prospects and found 80% of all such learners make a successful transition to employment, higher level vocational education, or apprenticeships during the first 36 months after leaving secondary school. Furthermore, they found achieving the Level 2 and below qualification is associated with a 4.6 percentage point increase in the probability of carrying out paid work, and with 16.7% higher earnings.

Similarly, The Sutton Trust (2021) found that the income returns of Level 2 and below programmes are much higher for people from highly disadvantaged groups. They revealed qualifications attained below Level 2 are associated with 5.6% higher earnings for people from highly disadvantaged backgrounds in the first year after learning. This figure was much higher than the return for people from middle- and low-disadvantaged backgrounds, (3.2% and 2.5% respectively). Likewise, there are larger wage returns among the most disadvantaged groups than those for less disadvantaged groups.

While Level 2 and below programmes certainly have positive benefits, the former Department for Business, Innovation and Skills (2013) questioned their size. They reported that though below Level 2 programmes have a positive impact on employability, wages and time on welfare benefits, these effects are small overall, and particularly stem from Level 1 rather than Entry Level, mainly benefiting people aged 19-24.

## II. Employers' views of Level 2 Learning

Unfortunately, most of the focus in existing literature is put on economic returns such as earnings and employment when Level 2 and below qualifications are considered. For example, there are multiple studies done by Department for Business Innovation & Skills (2011; 2013; 2013; 2014) regarding the returns of low-level qualifications, but all of them purely focus on economic returns. However, there are a much wider variety of returns in Level 2 and below qualifications when they are viewed from both employers' and learners' perspectives. These are often less acknowledged by government and need to be emphasised. To start with, this section covers the research on employers' views on the benefits of the Level 2 and below qualifications.

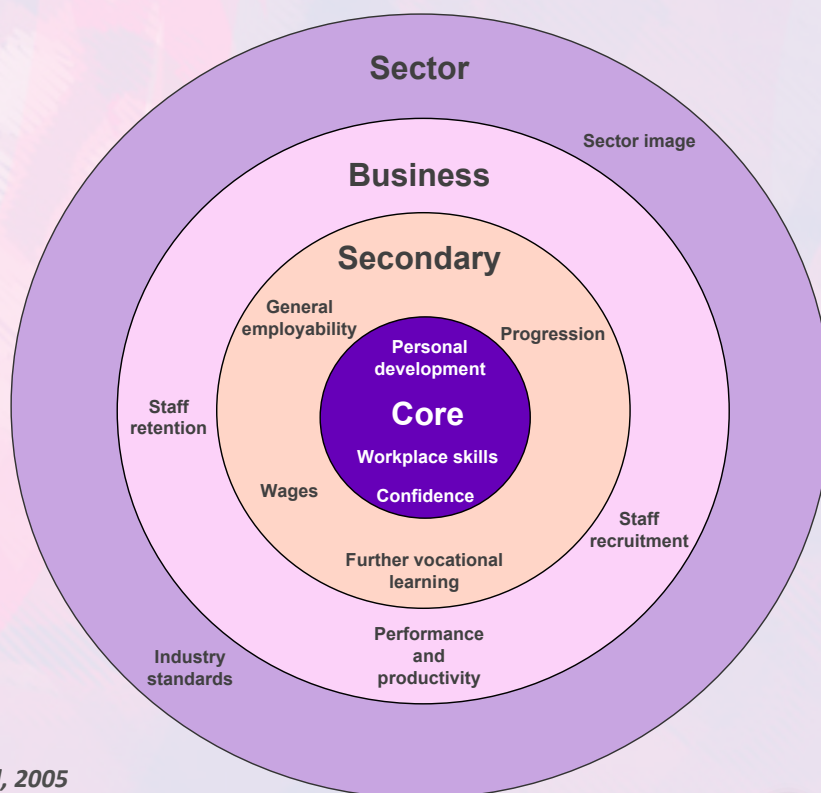
Tennant et al. (2005) investigated the benefits of Level 2 vocational qualifications for employers and adult learners. They found the majority of the employers had positive views about vocational learning and qualifications - for instance, employers described the worth of Level 2 qualifications as a vehicle for ensuring competence and skills within the workforce, and as a 'stepping stone' to further levels of qualifications and progression within the workforce.

They developed a map of the impacts derived from Level 2 learning, which are categorised into four layers;

1. individual core,
2. individual secondary,
3. business, and
4. sector

as Figure 2 illustrates. Level 2 learning helps to improve staff retention. Employees said investment in training fosters loyalty among employees and is therefore beneficial for retention (Tennant et al., 2005). Also, Level 2 learning is beneficial for staff recruitment in two ways - offering vocational training can attract some candidates, whilst having a Level 2 vocational qualification provides useful insights and helps employers at the recruitment phase. Moreover, Level 2 qualifications increase performance and productivity of employees compared to those who do not hold them - employers remarked that improving workplace skills through Level 2 studies can change people's performance at work positively and impact the productivity of the business as a whole.

**Figure 2: A Map of Impacts Derived from Level 2 Learning**



Source: Tennant et al, 2005

Although the majority view Level 2 and below qualifications as positive, Tennant et al. (2005) highlight that the need for them can vary by the type of occupational or industrial sector. While care and construction find Level 2 qualifications beneficial because they help to set targets or regulations for baseline skills, some sector representatives mentioned that current skills needed in their sector were either above or below this level. One of the disparities in the use of Level 2 qualifications by sectors is caused by the sheer number of Level 2 vocational qualifications available compared to the demand for them. While some sectors such as care and logistics are well catered for by some Level 2 qualifications, the higher level of the industries can be well-served by academic qualifications whilst offering fewer Level 2 vocational qualifications. Therefore, lack of relevance for the sector, or a lack of promotion within it, were raised as problems by some sectors.

Similarly, the National Audit Office (2005) describes that employers have mixed views on the worth of Level 2 and below qualifications, with many not being certain whether the direct benefits to their business warrant their required investment. Employers considered the economic benefits to companies from engaging in Level 2 programmes have been limited to certain areas of sectors and training.

### III. Learners' views of Level 2 Learning

One of the most important beneficiaries when considering the worth of Level 2 and below qualifications are individual learners themselves – not least because such qualifications can hugely benefit learners in ways beyond merely the economic. This section explores the characteristics of learners in Level 2 and below programmes and the benefits they receive from them.

According to Figure 2 of the impacts derived from Level 2 learning developed by Tennant et al. (2005), impacts for individual learners can be categorised into two layers; core and secondary. Core learner impacts are direct and perceivable impacts on an individual's experience from engaging with Level 2 learning, while secondary impacts are indirect consequences for learners.

Level 2's core benefits include gaining workplace skills, personal development, and improving confidence. Throughout Level 2 programmes, learners can acquire vocational and technical skills, general workplaces skills, and be able to understand the job role better. More importantly, Level 2 programmes can contribute to improving personal development and increasing confidence. Tennant et al. (2005) reported that learners' sense of validation, self-esteem has increased through interaction with others at work with Level 2 programmes. Besides, levels of confidence increased, and improved how they feel about their ability to perform their job role, which reflected in people's behaviour at work. As mentioned before, many learners following Level 2 and below qualifications at FE are from disadvantaged backgrounds, have had a negative experience at schools and lack confidence. Therefore, the day-to-day experience of Level 2 learning and receiving certification in FE helps to improve learners' confident profoundly. This suggests that both the process of taking a Level 2 programme and the outcome from it both contribute much to a learner's overall personal development.



Similarly, research done by Ofsted (2018) also highlights the personal development and improvement in confidence as a benefit of Level 2 programmes. They found that students who had completed their programme were most proud of completing the course and progressing to Level 3. Likewise, current learners also mentioned a growth in confidence and meeting new people as a benefit. They remark that what they learned became a source of pride in itself.

As these previous studies show, many learners therefore take Level 2 and below programmes for personal development reasons. National Association of Head Teachers (2019) emphasises employability is not always and necessarily a focus for some Level 2 and below programme learners. For instance, some learners may not be ready for independent living and work, and need support for internships or other appropriate employment opportunities (Association of Colleges, 2019). It is important for those students to develop their personal and social development in areas such as emotional resilience, increased independence and self-esteem, improved emotional wellbeing and ability to self-advocate, so they are ready to contribute to society and lead a fulfilling life.

Secondary impacts of study for Level 2 and below qualifications can be classified into four categories; further vocational learning, general employability, progression, and wages. Level 2 programmes can increase general employability whereby undertaking and gaining qualifications improves learners' work prospects through proof of competence in a job role, whilst demonstrating their commitment and willingness to learn. Also, Level 2 programmes can bring positive impacts on career progression. For Level 2 learners who are currently employed, their programmes can lead directly to career advancement through promotion or alternative employment. Such programmes help learners to clarify their career aspirations by helping to assess their skills and knowledge in a particular sector. Moreover, achieving Level 2 qualifications can lead to pay increases or one-off payments, although overall findings are inconsistent on this relationship. Attaining Level 2 can be an important precursor to higher qualifications which enable progression. As mentioned before, many Level 2 learners have had bad experiences in schools which foster a negative attitude toward learning. However, further education including Level 2 is flexible enough to meet the needs of variety of students (Association of Colleges, 2019), and very different from the compulsory education phase. Therefore, learners tend to get more positive attitudes toward learning and this positive experience together with more experience can encourage the pursuit of further vocational learning.

The current education system in England expects learners to take exams for qualifications at a set age (age 16) almost regardless of their readiness, even though failing to achieve a pass can have a critical impact on individual's life chances and opportunities. Therefore, post-16 FE is considered as an agent to improve students' life chances and provide a 'second chance' at engagement for learners who could not or did not succeed at school (Anderson and Peart, 2016; Associations of Colleges, 2019).

# 3. Employers' views toward Level 2 qualifications: Survey analysis

The employers' survey is organised into four sections with 32 questions in total; 1) demographic questions, 2) perceptions of Level 2 and below qualifications, 3) benefits associated with Level 2 and below qualifications, and 4) use of Level 2 qualifications in recruitment.

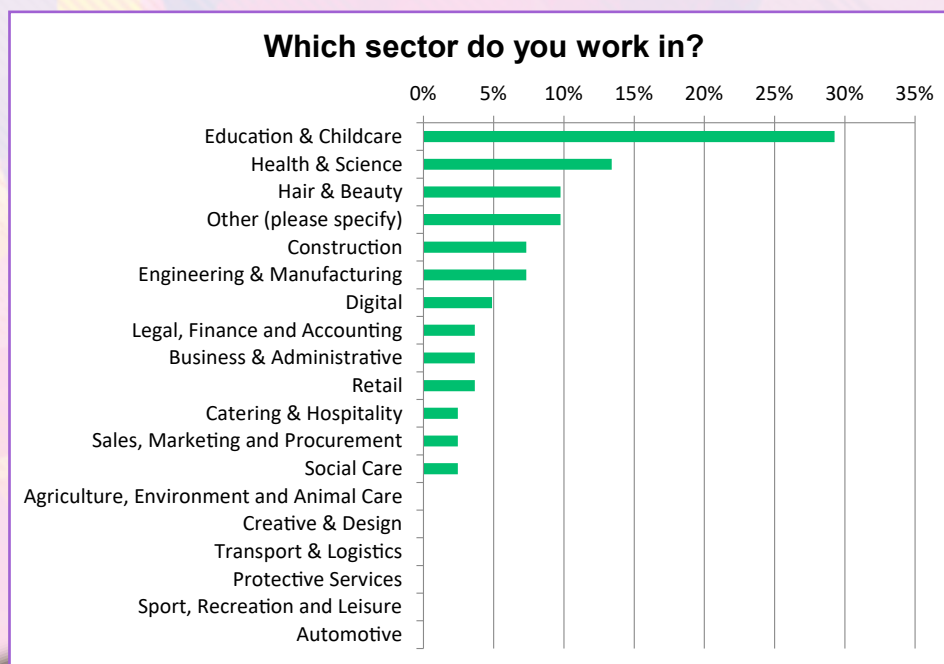
## I. Employer's Views towards Level 2 Qualifications

This section presents the summary of the results of the employer's survey, including sample demographics and their response to the items about the worth of Level 2 qualifications.

### Demographics

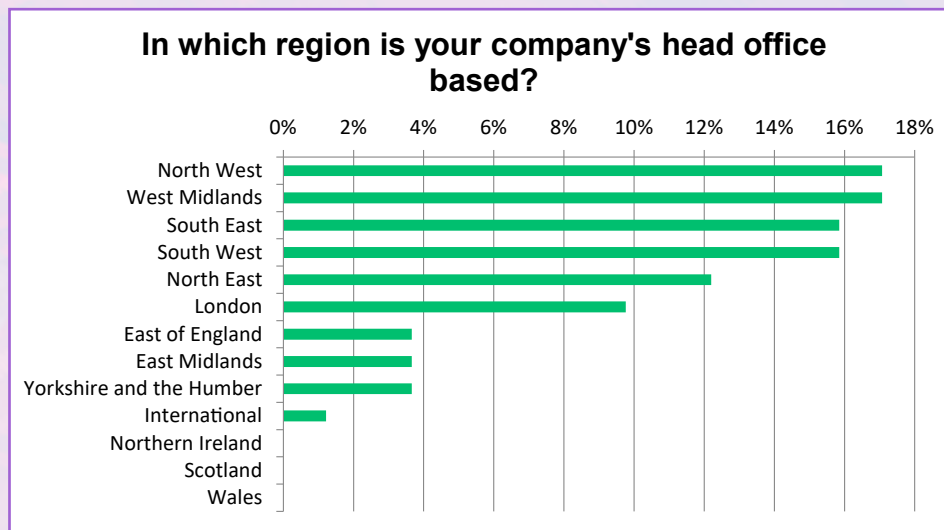
Firstly, it is important to understand the demographics of the sample of this study, particularly as this study adopted convenience sampling. As Figure 3 shows, there was a particularly large number of responses from both employers and providers in the Education and Childcare sector (29%). Other sectors of note in the response were Health and Science (13%) and Hair and Beauty (7%). 'Other' sectors are mainly local government. Most companies in this sample were mainly from the public sector at 60%, and the private sector at 29%.

Figure 3: Sectors



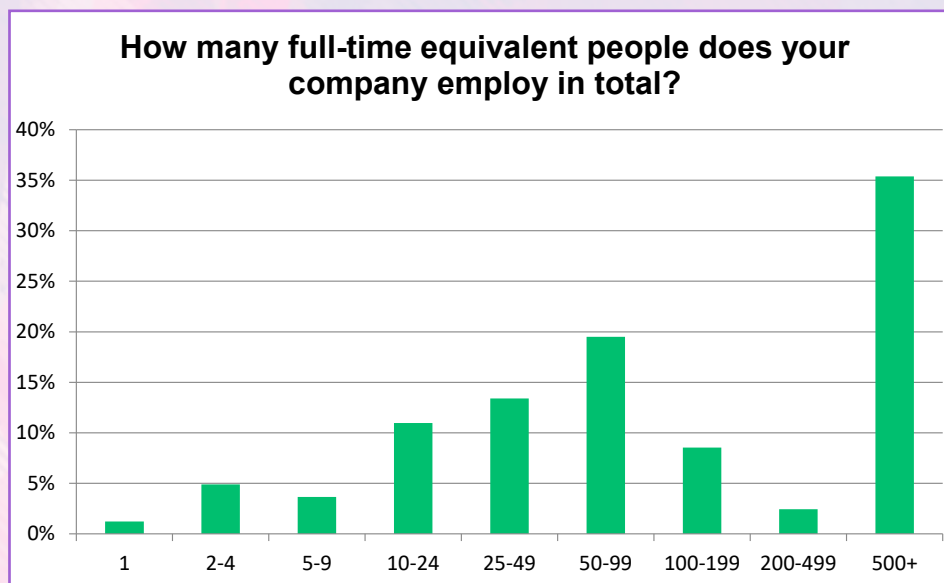
The responses were gained from various regions, mostly within England. Figure 4 illustrates the region in which the respondents' head office is based. The five major areas identified are; North West (17%), West Midlands (17%), Southeast (15%), South West (15%), and North East (12%).

**Figure 4: Head Office Location**



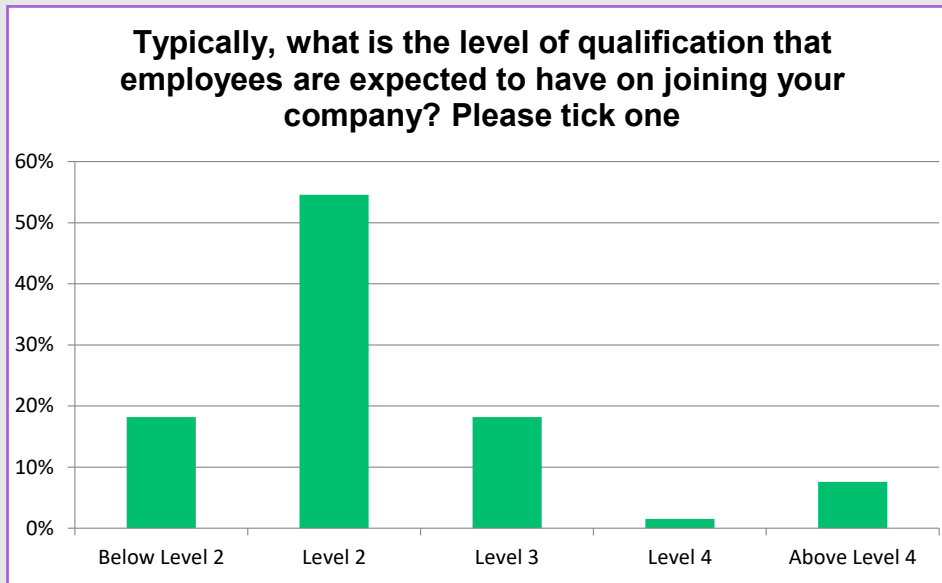
Regarding company size, about one-third of the companies have more than 500 employees, as Figure 5 illustrates. The total percentage of companies with 10-199 employees in this sample is 52%, which can be largely categorised as Small and Medium-sized Enterprises (SMEs).

**Figure 5: Company Size**



It found that most (73%) of the employers in the sample require Level 2 and below qualifications as a minimum qualification for work. Level 2 alone accounted for 55% of these (see Figure 6).

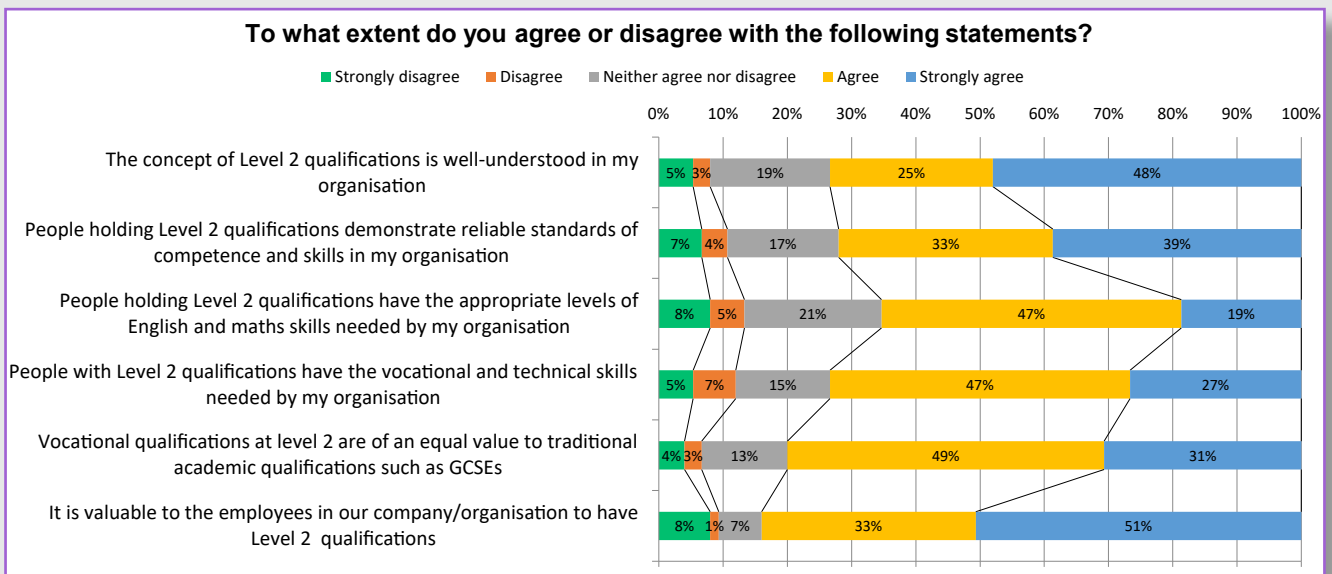
Figure 6: Level of Qualifications Required for Recruitment



## Views and perceptions toward the Level 2 qualifications

The survey asked employers about their views or perceptions towards Level 2 and below qualifications, ranking these on a five Likert scale (Strongly disagree, Disagree, Neither agree nor disagree, Agree, and Strongly Agree). The results are shown in Figure 7.

Figure 7: Perceptions toward Level 2 Qualifications



Regarding the question of whether the concept of Level 2 qualifications is well-understood in their companies, about 73% of the employers either agreed or strongly agreed, suggesting a clear overall understanding by employers in general. As for their trust in the skills and knowledge learned through Level 2, slightly over 70% of employers either agreed or strongly agreed that ‘people with Level 2 qualifications demonstrate reliable standards of competence and skills’ and ‘people with Level 2 qualifications have the vocational and technical skills.’ However, as for English and Maths, only 65% of employers agreed or strongly agreed. This data shows employers, while they trust basic literacy and numeracy competencies to some extent, tend to have greater trust in the technical skills side of the Level 2 qualification. This finding may also be worth bearing in mind considering wider conversations relating to the content of English and maths qualifications at Level 2, and their relevance to employer need. In addition, the survey found that a substantial number of employers think vocational qualifications at Level 2 are of equal value to traditional academic qualifications such as GCSEs (agree or strongly agree was 80%). Furthermore, about 84% of the employers agreed or strongly agreed that Level 2 qualifications are valuable at their companies. While many learners and parents still tend to think of academic qualifications as the “gold standard”, employer respondents in this sample viewed them as being of equal value with technical equivalents.

In summary, the results of our survey showed that Level 2 qualifications are not only well understood in many companies but that employers also put great trust in the technical skills that result. As shown in Figure 8, approximately 70% responded that employers often or always confer new responsibilities on staff after they achieve Level 2 qualifications. Also, nearly half of companies answered that achieving Level 2 often or always leads to a pay increase and promotion. These reward/treatments for employees who completed Level 2 suggest employers value the qualifications very much.

**Figure 8: Results of Attaining Level 2 Qualifications**

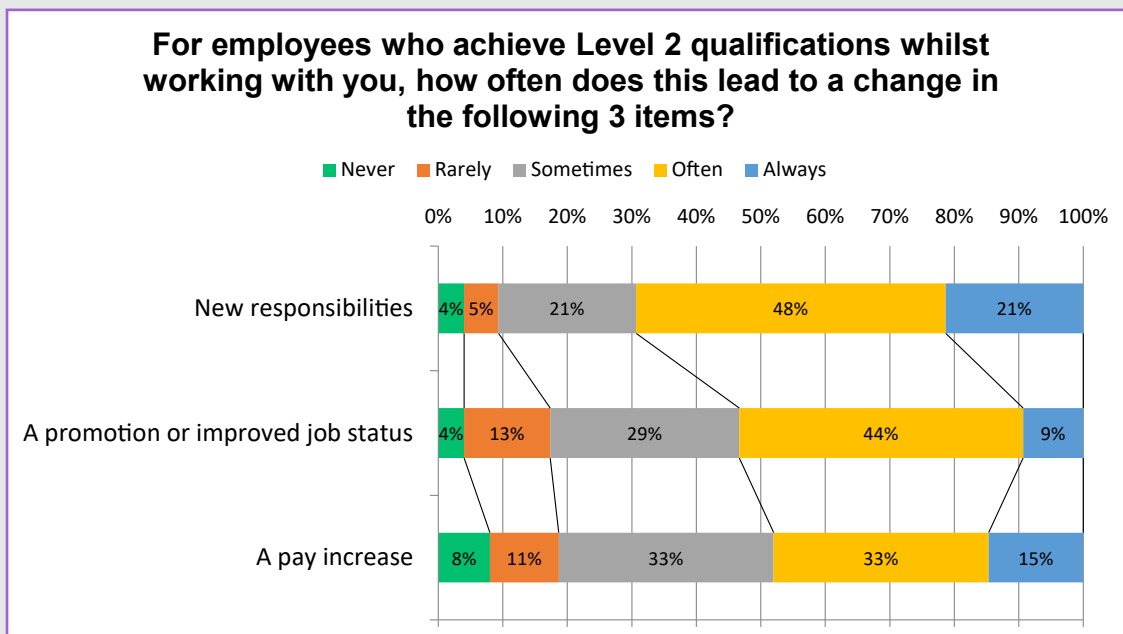
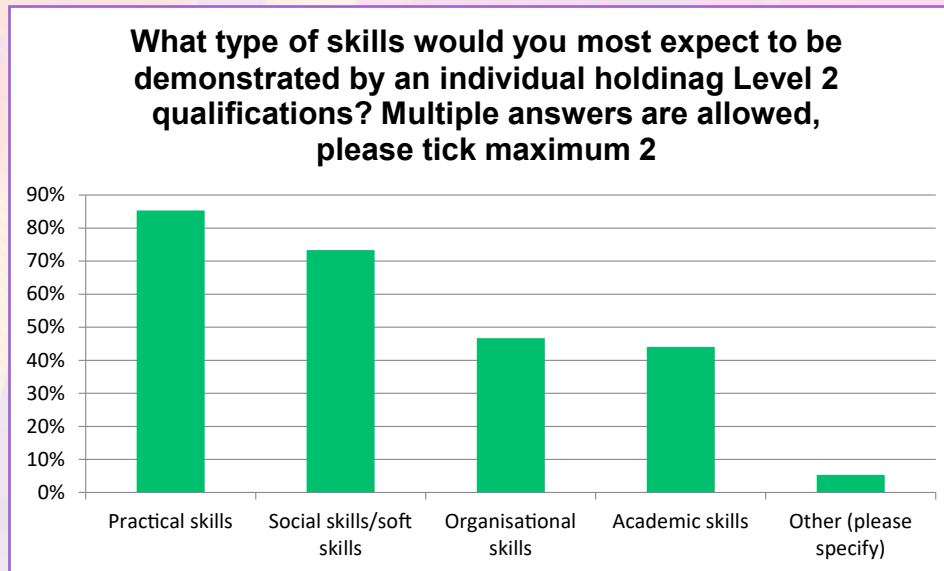


Figure 9 shows the skills employers expect of people with Level 2 qualifications: most commonly, practical skills at 85%. Although slightly lower than practical skills, social and soft skills also account for a large proportion (73%). This indicates employers value and expect people with Level 2 qualifications to have both technical skills and soft skills.

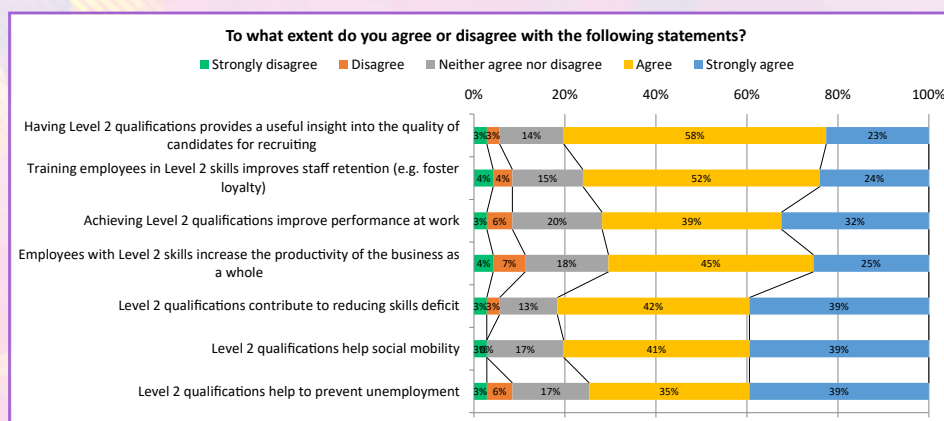
**Figure 9: Skills Expected of People with Level 2 Qualifications**



## Worth and benefits of Level 2 qualifications

Seven questions were asked to understand the employer’s perceived benefits of Level 2 qualifications. These questions cover the benefits of Level 2 qualifications from the perspective of their company’s business and social development. Figure 10 shows their responses.

**Figure 10: Business and Social Development Benefits from Level 2 Qualifications**

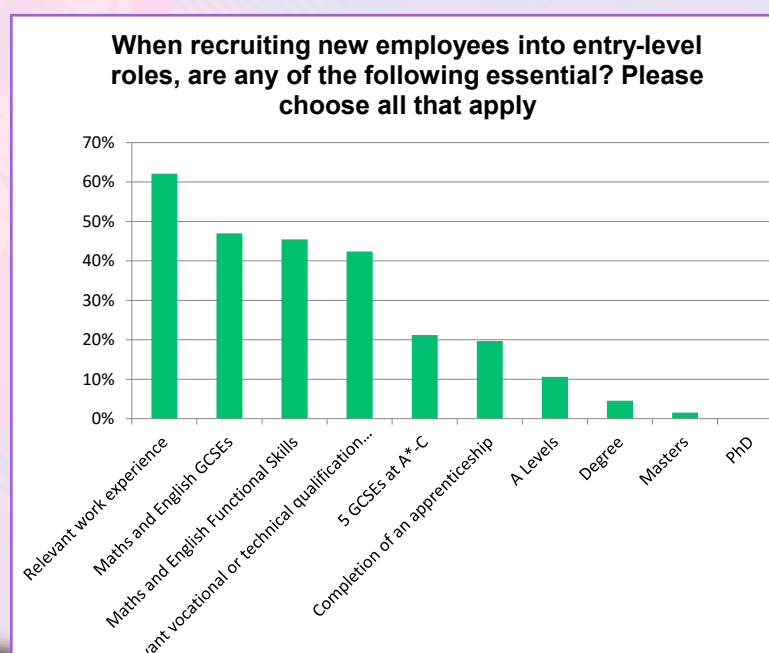


This shows that most companies perceived benefits from Level 2 qualifications from a business perspective. Well over 70% of the employers agreed or strongly agreed that Level 2 qualifications benefit recruitment and staff retention. Particularly, more than 80% of the employers at least agreed that Level 2 qualifications provide a useful insight into the quality of candidates for recruiting. In addition, about 70% of the employers responded that achieving Level 2 qualifications improves an individual’s performance and productivity in the company. These results show that most employers acknowledge the value of Level 2 from several different business perspectives, such as retention, recruitment, and productivity.

Furthermore, the survey reveals employers recognise the great potential of Level 2 qualifications in social development. The employers were asked to evaluate the worth of Level 2 qualifications from three perspectives: reducing skills deficit, promoting social mobility, and preventing unemployment. Among these, employers agreed or strongly agreed, particularly with reducing skills and promoting social mobility at 80% and 81%, respectively. While preventing unemployment was not as high as these two, about 74% of employers still at least agreed. Therefore, employers find not only business benefits but also find social development benefits from Level 2 qualifications.

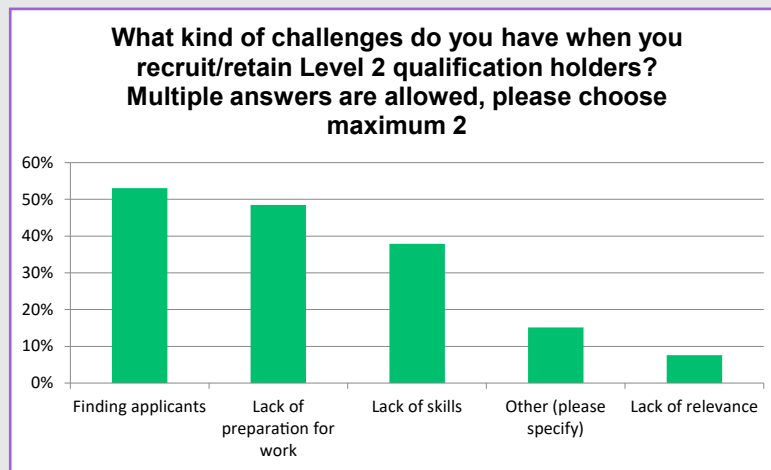
The survey investigated the employers’ views towards entry-level occupations in general and asked about their requirements in terms of factors such as skills, experience, and qualifications. According to Figure 11, the top requirement for an entry-level position is relevant work experience (62%). Other key areas for recruiting are maths and English GCSEs (46%) and maths and English Functional Skills (45%). This implies that both maths and English GCSE and maths and English Functional Skills are almost equally recognised and demanded by employers. Besides these, relevant vocational or technical qualifications up to Level 2 were also the top skills required at 42%.

**Figure 11: Required Qualifications for Entry-Level Position**



The challenges employers face in recruiting and retaining staff with Level 2 skills are important areas to identify. As Figure 12 shows, approximately half of the employers in the sample raised finding applicants (53%) and lack of preparation for work (48%) as the key challenges they faced with Level 2 qualification holders. Lack of skills was also considered a significant problem for many companies at 37%. The challenges employers face around the Level 2 qualifications and the people who hold them will be further investigated in a later chapter.

**Figure 12: Challenges to Recruiting/Retaining Level 2 Qualification Holders**



## II. Characteristics of employers who particularly value Level 2 qualifications

The descriptive statistics in the last section revealed that a substantial majority of employers have positive perceptions toward Level 2 qualifications and find both business and social development benefits from them. This section investigates the characteristics of such employers through regression analysis. This analysis is important because previous studies have already revealed that the worth of Level 2 qualifications differed among employers and their sectors. Understanding the worth of Level 2 by focusing on the employers who benefit the most will provide us with significant information.

To understand employers' perceived benefits from Level 2 qualifications, Principal Component Analysis (PCA) was conducted. Then, Ordinary Least (OLS) regression was conducted using this score to find the associations between company's characteristics and their level of perceived benefits from Level 2 qualifications. The detail analytical method and results are listed in the Appendix.



As a result of our analysis, the following five characteristics were found out to be significant characteristics of companies which tend to highly perceive the value of Level 2 qualifications.

1. They are likely to consider Level 2 qualifications are valuable for employees and employers,
2. They are likely to think practical skill is the most required skill for an individual holding Level 2 qualifications,
3. Their employees who achieve Level 2 qualifications are more likely to be promoted,
4. They are less likely to consider good basic literacy and numeracy as one of the required skills for entry-level jobs,
5. Finding and retaining applicants are likely to be their most challenging factors when looking for Level 2 qualification holders,

Good basic literacy and numeracy is less likely to be one of the prioritised skills for entry-level jobs among companies which highly perceived the value of Level 2 qualifications. Therefore the change in requirement for completing Intermediate Apprenticeships from having to attempt a Level 2 in English and/or maths whether or not the apprentice was likely to pass it is likely to be viewed very positively by them, as it will increase the likelihood of accrediting the apprentice's vocational skills that their programme will have conferred on them.

Another characteristic of companies which perceive higher value from Level 2 qualifications is that they tend to promote employees who achieved Level 2 qualifications more often. This shows that employers recognise overall improvements in Level 2 achievers which can lead to their promotion. This suggests that Level 2 programmes benefit not only employers but also achievers through promotion. Increasing their confidence and building the foundations of a solid career path in future. Therefore, Level 2 has double benefits for both employers and learners.

# 4. Learners' views toward Level 2 qualifications: Survey analysis

The learners' survey is organised into three sections with 27 questions in total: 1) demographic items, 2) perceptions and motivation for learning Level 2 programmes, and 3) Core and secondary learner benefits of Level 2.

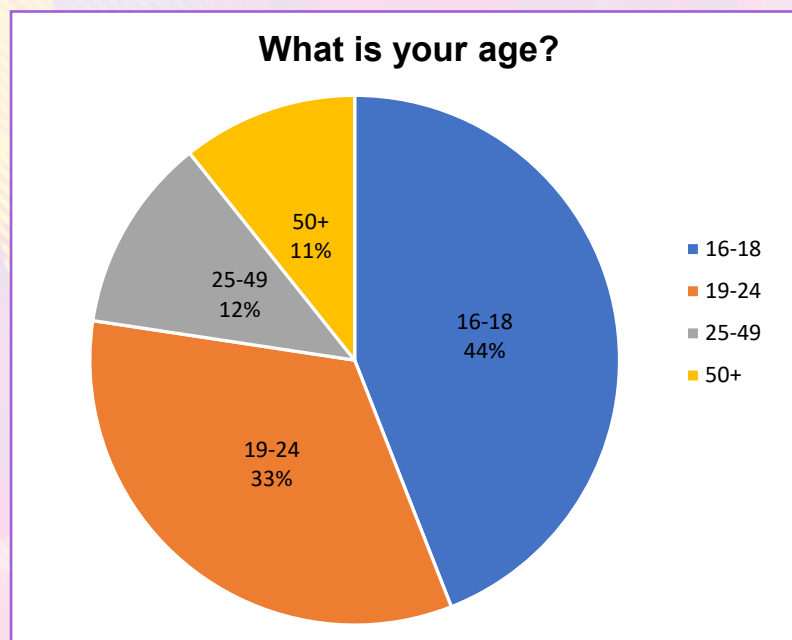
## I. Learners and their motivations to learn

This section describes the summary of the learner's survey, including demographics, motivations for learning Level 2 qualifications, and benefits they expect to gain.

### Demographics

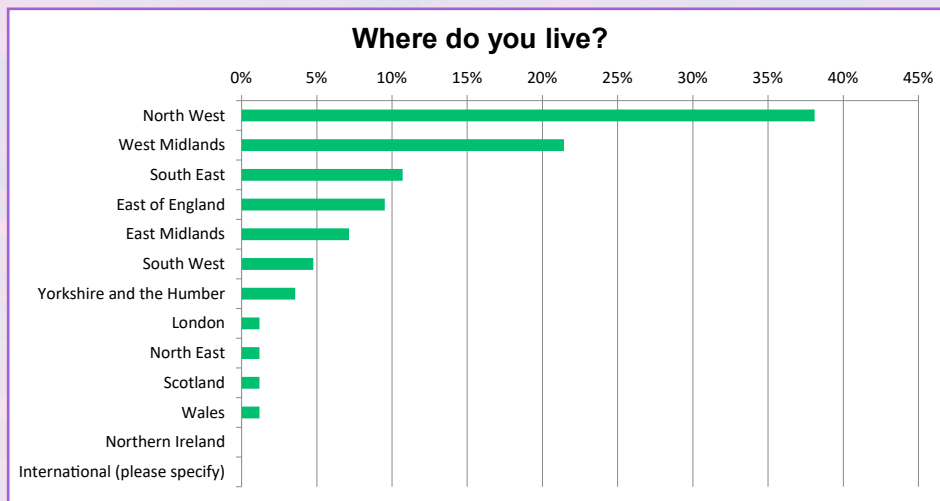
Figure 13 shows that about 45% of the sample learners were aged 16-18, and about one-third of the learners were aged 19-24. Therefore, a large majority (77%) of the sample are teenagers or young adults. Where a gender was specified, the gender balance was almost equal at 50% female and 48% male. Ethnically, the majority of the sample was White at 80%, and ethnic minority backgrounds were 14%.

Figure 13: Learner Age



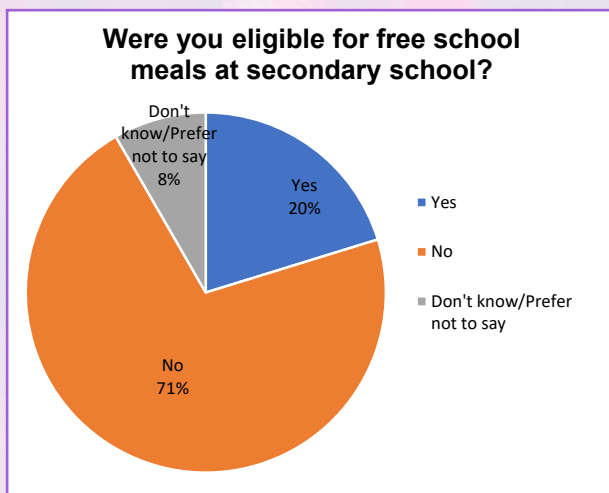
Regarding the areas where learners live, the responses were collected from various areas in England, Wales, and Scotland. North West and West Midlands were the two top areas (Figure 14), 38% and 21%, respectively.

**Figure 14: Learner Location**

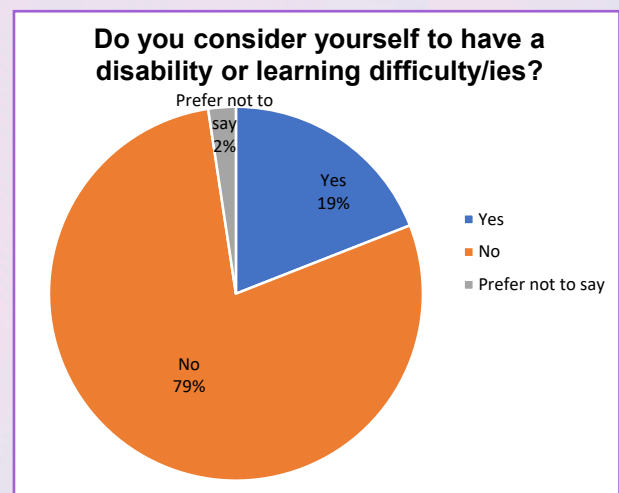


Among the sample, 20% were eligible for free school meals at secondary school (Figure 15) and 20% of the sample considered they have a disability or learning difficulty/ies (Figure 16). These results are consistent with previous studies that many learners at Level 2 and below are from the most disadvantaged backgrounds.

**Figure 15: Eligibility for FSM at Secondary School**

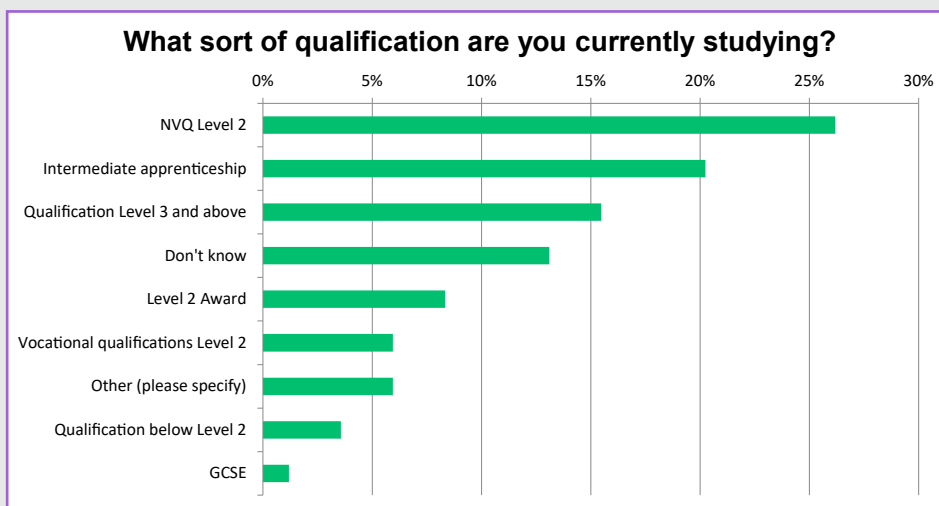


**Figure 16: Disability or Learning Difficulty /ies**



According to Figure 17, about a quarter of sample learners are currently studying a vocational qualification at Level 2, followed by a relatively large proportion of 20% following an intermediate (Level 2) apprenticeship. A concerning finding is that 13% of learners responded that they do not know which course they are currently studying. The fact that learners do not know what level of the programme they are taking is quite surprising and highlights the importance of fully engaging learners at the beginning of their programme,

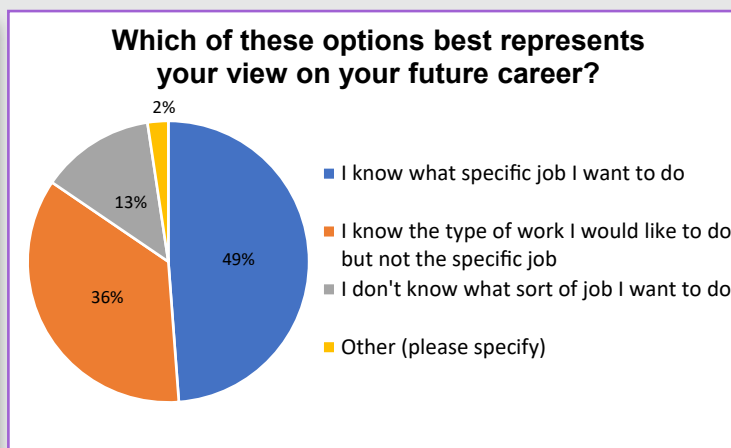
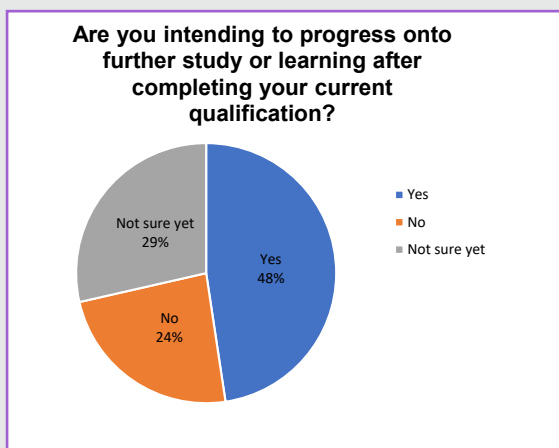
Figure 17: Current Qualifications that Learners are Studying



Regarding their further study, about half of the learners responded that they intended to progress on to further study (see Figure 18). On the other hand, 24% of learners did not intend to go onto a higher level, and 28% answered that they were unsure. Similarly, as Figure 19 shows, nearly half of the learners knew the specific job they wanted to do, whilst 13% do not yet know what they want to do.

Figure 18: Intention of Progress onto Further Study

Figure 19: Career Aspirations of Learners



## II. Perceptions of Level 2 programmes and motivations for learning

One of the main purposes of this survey is to understand learner views toward Level 2 programmes, including their motivations and benefits. Multiple questions in this section cover this perspective.

Figure 20 illustrates the motivations for taking Level 2 programmes and qualifications. The most popular benefit expected was ‘to improve skills or knowledge’ (59%), followed by more than half of learners expecting to become more confident. This result is consistent with those of Ofsted (2018), which found many learners at this level felt proud to be studying. These top two benefits show that learners expect not only technical skills and knowledge but also personal development from Level 2 programmes. This suggests the worth of Level 2 programmes for learners is much more than merely providing skills and knowledge.

**Figure 20: Expected Benefits from Programmes**

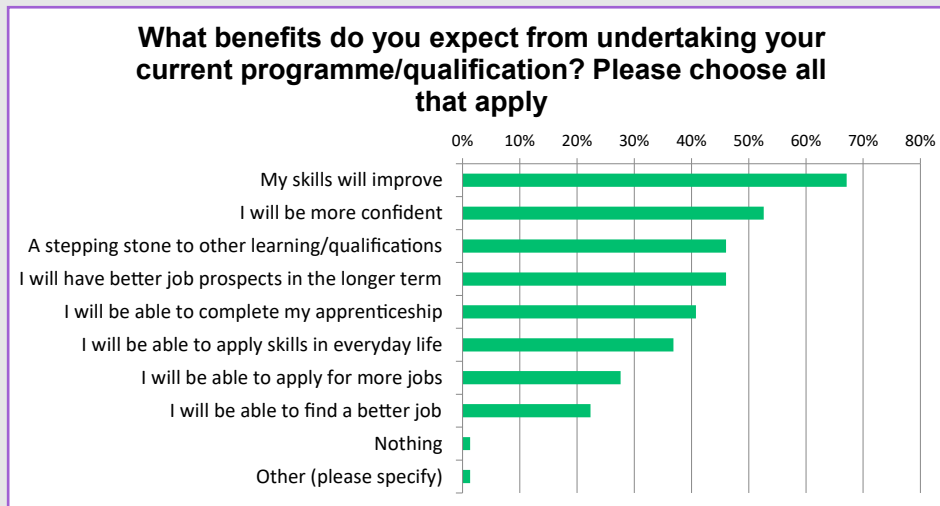
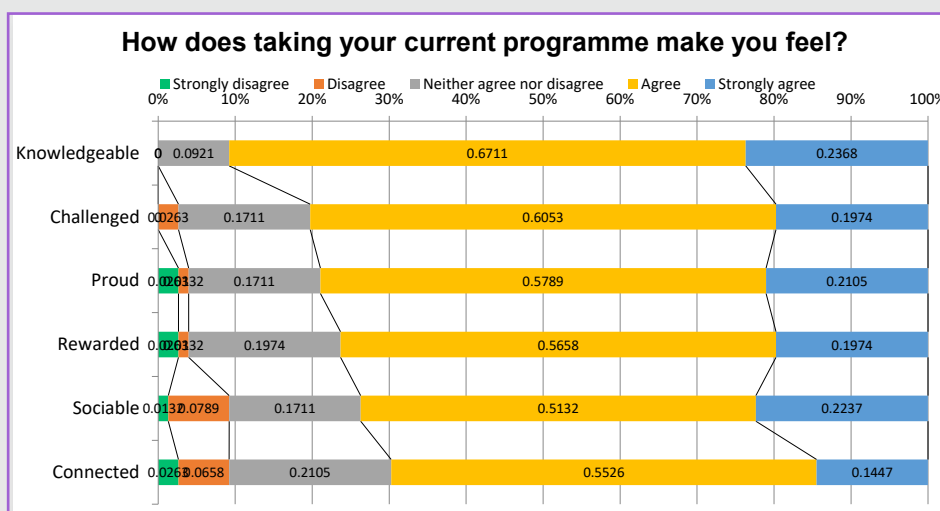


Figure 21 shows learners’ responses to six items (knowledgeable, challenged, proud, rewarded, sociable, and connected) describing Level 2 programmes. More than 70% of the learners responded that they agree or strongly agree with all these six words, suggesting learners have positive feelings in general. Particularly, more than 90% of the learners described Level 2 programmes as making them feel knowledgeable. Nearly 80% described Level 2 programmes as making them feel challenged (81%), which may explain the number of learners who strongly agreed or agreed that they are proud (79%), and that they feel ‘rewarded’ (77%).

**Figure 21: Feeling toward Level 2 Programmes**



### III. Core and secondary learner benefits of Level 2

Based on the framework adapted from Tennant et al. (2005), learner benefits were divided into two categories; core learner benefits and secondary learner benefits.

Figure 22 illustrates the survey results of the core learner benefits of Level 2 programmes. Regarding technical and vocational skills, quite a large number of the learners (78%) agreed or strongly agreed that there were core benefits. While technical and vocational skills were quite high, the response for English and Math skills was surprisingly low and less than half of the learners agreed or strongly agreed here. It is unclear whether this reflects a feeling that they learners do not benefit in this way, or whether they simply do not recognise the improvement in literacy and numeracy that can indirectly accrue from programmes of study. Either way it possibly overlaps with a consideration of the role that initial engagement and assessment can play in explaining the benefits of such programmes and preparing the learner for what they can expect and what may be expected of them.

Regarding soft skills such as communications and teamwork, 80% of learners at least agreed on both items, whilst 74% cited an increase in confidence at work as a core benefit.

These results show the range of worth of Level 2 programmes to learners in providing hard skills, soft skills, and personal development. As previous studies revealed, disadvantaged backgrounds and negative school experience make learners less confident and lack self-esteem, so it is reassuring that learners see Level 2 programmes as playing such an important role for personal development beside skills provision.

Figure 22: Core Learner Benefits of Level 2 Qualifications

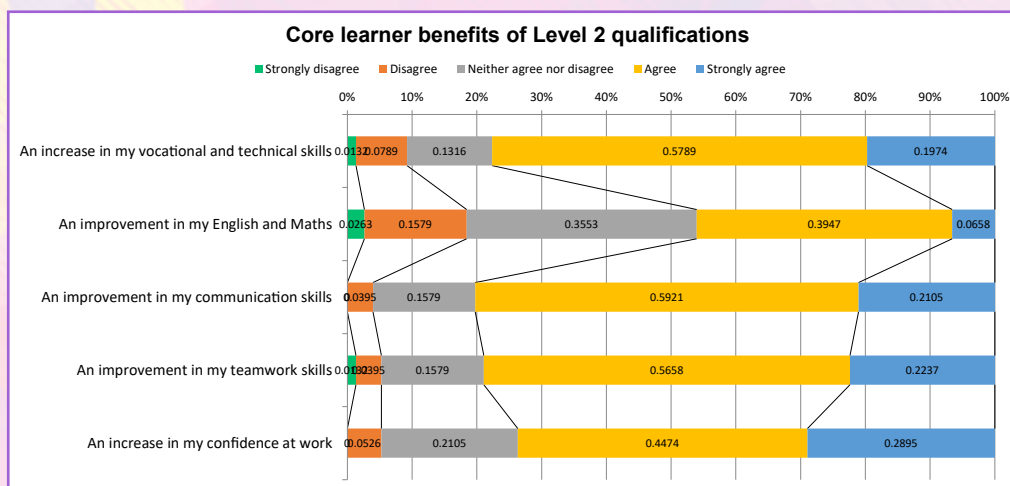
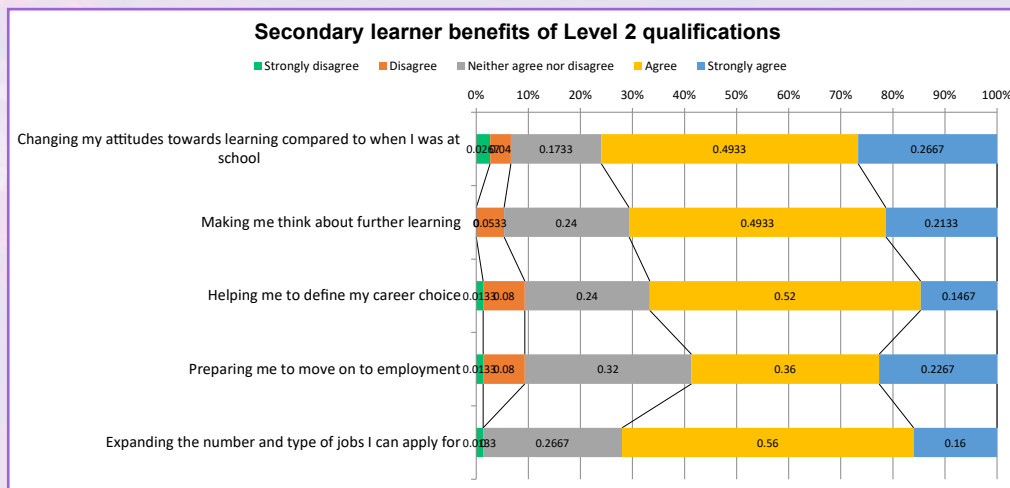


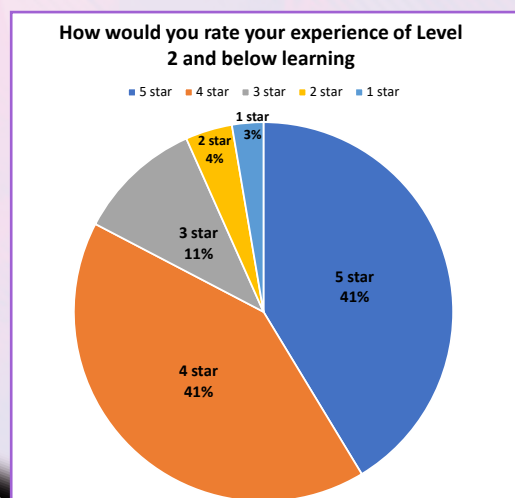
Figure 23 describes the survey results of the secondary benefits to learners of Level 2 programmes. More than 70% agreed or strongly agreed that programmes at Level 2 or below changed their attitudes toward learning (76%) and made them think about further learning (70%). This is consistent with previous studies, which described learners' positive experiences in FE as being very different from schools. Moreover, many learners (72%) at least agreed that Level 2 programmes expand the number of jobs they can apply for. Thus, Level 2 programmes positively change their attitudes toward further education and expand their future options, reinforcing the view held by many that FE programmes are a "second chance" to engage and benefit from education.

**Figure 23: Secondary Learner Benefits of Level 2 Qualifications**



The survey concluded with the final questions on overall satisfaction with the programmes. As Figure 24 describes, the satisfaction rate was quite high, and in total, 82% of learners gave 5 or 4 stars, and those who rated 1 star or 2 stars were only 7%. This would indicate, particularly when taken in context of previous results, that learners feel that Level 2 programmes are beneficial and serve a purpose for them not just in building their technical skills and increasing prospects of employability, but a range of wider personal development characteristics as well.

**Figure 24: Satisfaction Rate of Level 2 Programmes**



# 5. Employer’s views toward Level 2 and below qualifications: interview analysis

This chapter presents the findings from the in-depth interviews about the Level 2 qualifications conducted with 15 ITPs (Independent Training Providers) and employers. These interviews were conducted to understand ITP and employer views of Level 2 and below qualifications, such as how attractive or unattractive they are, and what kind of challenges and suggestions they have regarding the use or value of Level 2 qualifications in their companies and organisations.

In-depth interviews were conducted with 15 ITPs and employers, including six males and nine females (see Table 1). Most response came from the Education sector (6) (ITPs), with 9 employers from a variety of other sectors.

*Table 1: Demographic of Interview Respondents*

Category		N
<b>Gender</b>	Male	6
	Female	9
<b>Sector</b>	Education	6
	Hair & Beauty	1
	Digital	1
	Health & Science	3
	Catering & Hospitality	1
	Other (Local gov)	2
	Retail	1

The researcher gathered the views on Level 2 qualifications from ITPs and employers, and the analysis of the in-depth interview revealed four themes around Level 2 qualifications (see Table 2);

1. positive views,
2. negative views,
3. challenges with Level 2, and
4. reaction to the government’s reviewing and suggestions for Level 2 improvement.



The following sections describe each theme and sub-theme found in the interviews.

**Table 2: Findings from Interviews**

Main themes		Contents
POSITIVE VIEWS	Stepping stone	<ul style="list-style-type: none"> <li>• Learners</li> <li>• Essential qualifications for entry-level positions</li> </ul>
	Soft & hard skills, and confidence	Improving various skills
	Clarifying career	Bite-size
NEGATIVE VIEW	Not enough content	Not enough soft and practical skills
CHALLENGES	Stigma - Low awareness	<ul style="list-style-type: none"> <li>• Lack of awareness by learners</li> </ul>
	Influence of parents & guardians	<ul style="list-style-type: none"> <li>• Influence on child's decision making</li> <li>• Benefits problem</li> </ul>
	Functional skills	Challenging and not functional
	Poached by competitors	Learners being poached by competitors
REACTIONS TO THE GOVERNMENT	Agreeing with the issue	Need to simplify
	Disagree	No stepping stone

## I. Positive Views

The first theme from the interviews is positive perceptions among ITPs and employers toward Level 2 qualifications. The interviews found that the vast majority of respondents viewed Level 2 qualifications positively. Their positive views were from many different perspectives, but the main opinion was that Level 2 qualifications act as stepping stones.

“We think they [Level 2 qualifications] are tremendously important. It helps people start their careers; many people who are vocationally talented or have the ability to become vocationally talented didn't have a positive experience in the academic system. And it's important that they're given that [...] first step on the ladder to be able to enter the workplace and learn.”

**ITP, Education**

*“We believe that Level 2 is a really good stepping stone towards Level 3 or even just straight into employment. And there are definitely lots of skills that Level 2 qualifications can bring for learners to get employed in entry-level jobs, which is where our learners are.”*

#### **ITP, Education**

Both quotes highlight the role of Level 2 qualifications as stepping stones, particularly considering the disadvantaged backgrounds many such learners come from. These respondents question where these learners, who do not have any qualifications and have many barriers, can go if there are fewer Level 2 programmes and no stepping stones.

While Level 2 programmes are crucial for learners, interviewees told us they profoundly benefit employers too. Some employers claim that taking out some Level 2 programmes, such as business administration, negatively affects their business. They explain that roles at Level 2 are very different from those at level 3, and level 3 cannot simply replace the Level 2 positions.

*“In the old days, there used to be a Level 2 programme, and then you could move on to Level 3 in the same subject area. That isn't the case anymore. If you want to be an administrator or a teaching assistant, it's a Level 3 program. There is no stepping stone. [...] There is a whole gap that we're missing out on. [...] if a team just requires some basic administration, Level 3 standard just doesn't fit it.”*

#### **Employer, Local Government**

*“it's been a bit of a bugbear that the Level 2 business administration was taken out because we had to fill that gap with Level 2 customer service, and whilst that was OK for some roles, it wasn't appropriate for all roles. That left us with a bit of a gap because Level 3 was so much higher in the level of what they got to work on [...]. So I think Level 2 qualifications are essential for new people joining a large organisation”.*

#### **Employer, Health & Science**

## Improvement in soft and hard skills and confidence

Many respondents mentioned the merits of Level 2 programmes and qualifications as acquiring skills. These varied, but interviewees were clear that they benefit both their businesses and learners.

### ➔ Hard skills

Several interviewees mentioned that Level 2 programmes allow learners to get technical skills. As not everyone wants to pursue academic courses, technical courses provide another option to help people to get skills and prepare to work.

“It was attracting candidates that maybe were GCSE level that maybe weren't at A level standard, but was bringing people in at a foundation level of learning, [...], just to be brilliant within the business and giving people an opportunity to learn a skill that isn't necessarily academic that do want to come in and learn a trade [who can] then go on to be brilliant professionals.”

**Employer, Health & Science**

### ➔ Soft skills

The skills Level 2 learners, particularly intermediate apprentices, can acquire are not only technical hard skills but also soft skills such as communications skills. Respondents valued soft skills acquired through apprenticeships, stating as follows.

“They definitely got much more customer service, much more awareness of working around clients. What they say, how they speak, manners, they've just been in that workplace, and they understand it. They've been taught visually by watching us work with people and how to speak.”

**Employer, Hair & Beauty**

## ➔ Confidence

Furthermore, many respondents pointed out that Level 2 qualifications can contribute to personal development and improve learners' confidence.

“ [...] Level 1 or Level 2 qualifications help build their confidence. It might be the first time they get a certificate and acknowledgement that they've done well, and they're often disengaged in education. So, it's about re-engaging, and that's the purpose of the study programme in the sense that they're not just doing their vocational pathway “

**ITP, Education**

“ What we see is a confidence change[...]. [They are] more confident because they know how to do a job and do it brilliantly. And I think without an apprenticeship, you haven't got that ongoing reassurance that you're doing great.”

**Employer, Health & Science**

“ [Learners are] saying, 'I've done it, and it brings that confidence back because the experience is different from school. [...] It's nowhere near like school, and you are driving it yourself as an individual as opposed to being told. [...] When you're doing your Level 2 as an adult, it's your choice, and it's not somebody else's, and they know they're committed.”

**Employer, Health & Science**

## Bite-size Level 2

Another advantage respondents raised was that the Level 2 programme could offer small bite-size courses to clarify what learners want to pursue in the future. This helps reconfirm that what they are learning is what they want to do. We came across two such examples of Level 2 programmes as a trial for learners shared by respondents.

“We also find that some people come to Level 2[...because their] friends are doing it [or because their] parents told [them] it’s a good career. But they get to engage ... [and they say] this year has made me think that’s not what I want to do. It’s maybe confirmed that it’s not the right thing. I think that some of those learners just may be a bit unsure.”

**ITP, Education**

“It’s nice to see that, and that can happen a lot more if you’ve got a Level 2 where you can experiment with other things.”

**ITP, Education**

## II. Negative View

While most respondents viewed the Level 2 programme positively, a negative view was also raised. One employer in the Digital sector explained the problem is that Level 2 learners often do not have enough soft and hard skills required for the workplace, and that part of the reason for this may be the environment in which they learn.

“More so probably in the technical world, softer skills are as important, if not more important, than maybe the technical skills themselves because the employer will add those technical skills as part of their training on the job, as it were.

*I don’t understand why we’d be spending money training somebody at Level 2 if they’re not in a workplace environment. What are they learning other than some sort of technical qualification they can’t use?*

*I feel like it’s wasting a year of a student’s life if they’re not in employment. If they’re in employment doing Level 2, it will make sense.*

*Level 2 doesn’t have the sorts of skills that I can use (simply) coming out of college.”*

**Employer, Digital**

The lack of technical skill in Level 2 qualifications, particularly in the digital sector, was already mentioned in previous studies and our survey. While this study interviewed only one person from the Digital sector, the views toward Level 2 qualification do seem different depending on the sector.

## Successful cases of Level 2 learners

Though there are some negative views toward Level 2 qualifications, the majority were positive, and many ITPs and employers highly valued them. This section introduces two success stories of taking Level 2 programmes, and an employer shared the first story.

### Case 1 - Lily

“Lily was the first wage earner in their family. [...] And then quite a lot of the surrounding immediate family didn't work, and they were on benefits. So Lily decided, actually, there's this Level 2 apprenticeship; I'm going to do it. And all she was getting was, why? The state will look after you. Why? But she did it. It took a bit of kicking and screaming to get to her endpoint assessment. She did it. She got a job. [...] Someone coming from a family where no one was working went on an apprenticeship. [... and] as soon as she went into a second year, she went on national minimum wage.”

**Employer, Local Government**

### Case 2 - Sophia

We interviewed one apprentice who completed their Level 2 qualification and who is now currently undertaking level 3 in the Catering and Hospitality Sector.

Sophia did a Level 2 hospitality apprenticeship and has since progressed onto further learning at higher levels in her employment. She talked about her experience in a Level 2 apprenticeship as follows.

“[The worth of Level 2 is] probably the knowledge. I came in Level 2 straight out of school. I'd never had any experience in the industry before, and I feel like it's given me a very good platform to start with. [...] It's given me confidence in myself. I was very low and [lacked] confidence when I started, and I've got the confidence in my knowledge and the skills that I've got to be able to help other people going through the same stage as me, who are a bit nervous going into the apprenticeship programme”.

**Apprentice, Catering & Hospitality**

## III. Challenges

### Challenges: Stigma- low awareness by learners

While the female learner in Catering & Hospitality valued Level 2 programmes highly, she also pointed out the stigma and lack of awareness around apprenticeships as a problem.

“Apprenticeships were never really aimed at the people that were academic. Apprenticeships are always aimed at people that weren't going to pass their exams [...], which I completely disagree with. I think whether you're academic or not, if it's something you want to do, apprenticeships are the way forward.”

**Apprentice, Catering & Hospitality**

### Learners

Employers also echoed learners' lack of awareness of Level 2 apprenticeships. One employer explains as follows.

“I was invited to a careers day to talk to 160 year 5 and 6 children. There was only one I would say out of that; I asked what do you know about apprenticeships, and they said a little. And the rest of them don't know.”

**Employer, Catering & Hospitality**

### Challenges: Influence of parents and guardians

Parents and guardians are important actors involved in young learners' career decisions. However, the interviews found that they are less aware of Level 2 programmes and apprenticeships and there is some bias against them.

“Apprenticeships are the least understood [among parents]. [...] They probably haven't met an apprentice, and they certainly don't understand standards, and they don't know about what is available out there.”

**Employer, Local Government**

Some ITPs and employers mentioned that this lack of awareness toward Level 2 and preference for colleges and academic routes was accelerated due to the COVID pandemic. An employer in Local Government told us:

“How do we increase the knowledge of the parents of those kids? Because they are the ones doing the influence. [...] Two years ago, it was teacher assessed grades within schools for GCSEs. [...] a consequence of that was that some people got grades which allowed them to access things like A levels, which previously they wouldn't have been able to do. [...] But that's completely skewed the destinations of young people throughout the country because [...] [and] as a consequence, a lot of people dropped out. They were on programs that they shouldn't have been on. [...] [Students] didn't make that decision. Their parents made that decision. [...] Whenever I see advertising, the whole focus is always on young people. But they aren't the main influences on young people; it's their parents.”

#### **Employer, Local Government**

This once again highlights the importance of initial assessment, as well as the critical need for strong information advice and guidance (IAG) to reach all those involved in making or influencing decisions about a young person's future.

An employer from the Hair and Beauty sector further explains the critical barriers around a family of learners.

“A lot of parents advised they'll [children] go to college because it will be fine, and you'll get your qualification. We do find that parents on benefits don't want their daughter or son on an apprenticeship because that income is taken into account on their benefits, whereas if they're in college, it isn't.”

#### **Employer, Hair & Beauty**

An employer in the Health and Science sector also told us that the current benefits system is a barrier which works against apprenticeships.

“So we've got things like I'm going to lose my benefits, and I'm going to lose the place that I'm going to live in because my benefits will stop [... because they are] working too many hours. So you have those barriers where the system works against us, where we're trying to put people into jobs.”

#### **Employer, Health & Science**



The challenges of lack of awareness, the influence of COVID, and benefits problems are all deeply associated with parents and guardians. As mentioned, they have a major influence on the decision-making of the career decisions of younger people. While the government made legal requirements for schools to provide opportunities for a range of education and training providers to access pupils to inform them about technical education and apprenticeships, these are only targeted at pupils and not at parents and guardians. These interviews highlight the importance of widening the reach of information about technical education and apprenticeships.

## Challenges: Functional skills

Challenges to attaining functional skills were clear common issues found in previous studies. This research also found functional skills as one of the biggest problems for many ITPs and employers.

“The biggest fallouts are never about the apprenticeships, usually about functional skills. This is a real shame, and that’s more about a fear factor. If you’ve got an individual with a lot of trauma around school, particularly with maths and English, and you try and push them back into that environment, it’s hard. [...] If you make it more work-based, they can see the worth of it and have the confidence that they’re learning something crucial to their job and that they’re going to be using that every single day.”

### Employer, Hospitality & Catering

One interviewee brought up the issue that the content of functional skills was itself an issue:

“With our Level 2 apprentices, some of them really do struggle with maths and English, and the reason is that it’s not particularly functional. [...] It’s not something you do on a day-to-day basis.”

### Employer, Retail

In both cases, there may be an element of what psychologist term “learned helplessness” coming into play (Maier and Seligman, 2016) whereby individuals who have suffered and failed to mitigate or eliminate unpleasant experiences subsequently stop trying to do so - “Nothing I do matters, I always lose”.

## Challenges: Learners being “poached” by competitors

Other problems ITPs and employers raise are that apprentices drop out before they complete their course and move to another opportunity at a different company or organisation. Two employers shared their experience.

“We’ve seen apprentices leave because they might find another opportunity that they may not have looked at previously because there are more opportunities out there. But some of ours are leaving in six months because they actually gained the confidence, the competence, and they can do a job, and they leave and get paid more.”

**Employer, Health & Science**

“I’ve just lost one, and it broke my heart. He was about two weeks away from EPA. He’s been poached by a hotel. He’s an unqualified 16 years old, and they probably put him on about 28 1/2 grand. And £15.00 an hour overtime. You can’t compete, but it’s just galling, isn’t it? It’s not sustainable, it’s sustainable for the large companies and the large hotels, but for us, it’s not.”

**Employer, Hospitality & Catering**

The challenge of losing trained staff to other employers is not a new one, nor is it confined to Level 2 programmes and qualifications. What is interesting however is how many employers viewed this as an issue at this stage of learning, whereas it is more usually associated with individuals at a higher level of study. This may indicate that employers view learning towards Level 2 as rather more significant to their businesses than the government’s current proposals appear to acknowledge.

# 6. Reaction and suggestion to the Government review

## I. Agreeing with the issue

Regarding the Government's review of Level 2 and below qualifications, interviewees generally agreed to the need to simplify an offer which can be confusing for learners and employers.

“It's just aligning the amount of awarding bodies and the number of different specs there are because I think you can do a Level 2 in a motor vehicle, and there are about a million different types of titles.”

ITP, Education

“I think the problem is too many. Because I think it can be very confusing for learners and providers. There are lots of different qualifications, and I know for some of them, not many people do them. [...] I think it should probably be reduced and simplified.”

ITP, Education

## II. Disagreeing with the remedy

However, the vast majority of the ITPs and employers disagreed with the Government's proposals to remedy this. Most of their concerns are that they will remove the stepping stones for people from a very disadvantaged background, leading to fewer opportunities or options for them to get into a career.

“I think some people may be put off by Level 3. You might not then get our brilliant rough diamonds that come into the business that just go on to be brilliant [workers]. I think by removing it, you're removing that foundational learning and opportunity for somebody that isn't so academic to get into a business and get into a career. [...] I think it will start to put people off.”

Employer, Health & Beauty

“Half of the population does not come out with academic qualifications. [Are they] capable of doing level 3 programs on par with A levels? Automatically [the government has] kind of dismissed half of the school leavers.”

**Employer, Local Government**

“I think [the government] need to wake up and get real [...] you need to start them early and at a lower level to gain that stepping stone and get the grounding. Because if you haven't, they're never going to succeed at the top; they're just going to give up.”

**Employer, Local Government**

“[...] how can we possibly level up if we've got an enormous group of students that can't level up because the levels aren't there for them to level up against? The T levels and A levels are not the only way forward for an enormous proportion of people [when] we're talking about closing a disadvantage gap.”

**ITP, Education**

### III. The voice of ITPs and Employers Align

It is often the case that the views of supply-side actors can be downplayed when it comes to making policy decisions, as it is perceived they may have a vested interest in the status quo. In recent years, the views of employers have very much taken priority in this respect. (Warner and Gladding, 2019). What is very clear from our findings however is that there is a strong degree of overlap between both employers and providers that whilst the overall issues that the government's proposals seek to address are broadly correct, the proposals themselves are not.

“If you haven't got [these levels of qualifications], what's going to happen to those youngsters or those older people? Where will they go? Because they want [to move forward], but they won't ... Will they ever progress in employment? Probably not.”

**Employer, Local Government**

“ I think Level 2 should be there for the purpose that not everybody is ready to go at Level 3, especially at 16. You're going to try and squeeze them into something that doesn't fit.”

**ITP, Education**

“ Moving the goalposts and state, everyone needs to start at Level 3 because some people just want you to. You're ignoring a real pool of talent there, and it's excluding a lot of people.”

**ITP, Education**

“ Level 2 is an access point at which the future becomes accessible. Prior to Level 2, there's nowhere to go.”

**ITP, Education**

“ I think what I'm trying to get across is that stepping stone, and I think without it, we're going to miss that pool of people that wouldn't necessarily apply for an apprenticeship otherwise.”

**Employer, Health & Science**

# 7. Findings and Recommendations

This study aimed at understanding the holistic benefits of the worth of Level 2 for employers and learners because most of the empirical studies in this area focus on economic benefits such as earnings and employment. The surveys were conducted for both employers and learners in addition to in-depth interviews to employers, which are covered in previous chapters. The last chapter of this report presents the summary of all the findings and recommendations to the government.

## What we found...

### ➔ Employers value Level 2 and below qualifications, and recognise their benefits both for their organisations, and for their staff as individuals

More than 80% of employers perceived qualifications at Level 2 and below as valuable for their companies/ organisations. For example, many employers told us that training at Level 2 learning improves staff recruitment, retention, productivity and performance. Furthermore, many employers acknowledged the value of Level 2 qualifications in social development too, with about four-fifths of respondents at least agreeing that they reduce skills deficit and help social mobility.

Our interviews found that the vast majority of employers viewed existing Level 2 and below qualifications positively, with many of them identifying their importance as stepping stones. Since many Level 2 learners are from the most disadvantaged backgrounds, employers often view these programmes as a first step on the ladder to enter the workplace, and often essential to fill entry-level positions.

Reinforcing our survey results, employers we interviewed also mentioned the worth of such qualifications in improving soft and hard skills. Particularly, many employers noted improvements in learners' confidence in the workplace. Since some learners at or below Level 2 do not have clear career aspirations, this is an excellent opportunity to identify what roles and occupations they are best suited for, as they continue to engage in learning at the same time as building a range of more transferable skills for the workplace and beyond.

## ➔ Employers reward those who have or attain these qualifications

Further investigation of our employers' survey found associations between the characteristics of the employers and the degree to which they value qualifications at or below Level 2. Employers who value and see benefits in them are more likely to promote employees who achieved them, improving employee confidence and helping build a solid career path. Therefore, the association of benefits from Level 2 and promotion suggests the double benefit of Level 2 qualifications is recognised by both employers and learners. This needs to be borne in mind when the rationalisation of qualifications at and under Level 2 is being proposed largely based on economic and productivity considerations.

Moreover, employers who perceive higher benefits from qualifications at or below Level 2 are less likely to require literacy and numeracy skills for entry-level jobs. One of the minimum requirements for achieving an intermediate apprenticeship, attainment of English and Maths, has recently permanently changed from requiring both at Level 1 and an attempt to pass at Level 2 whether or not the learner was ready to do so, to simply achieving Level 1. This was often one of the biggest challenges for many apprentices at this level of learning, even though the data shows employers who highly value Level 2 are less likely to require these skills and instead place a premium on the technical skill elements. Apprentices who were previously required to attempt Level 2 even if not ready to do so were often simply experiencing what amounted to predetermined failure which can contribute to an overall sense of "learned helplessness" (see below) which can compromise further learning and progression.

## ➔ Learners value Level 2 and below qualifications for a wide variety of reasons

The top two benefits that learners expect from programmes at or below Level 2 were improving skills and being more confident. Nearly 80% of our learner respondents agreed that Level 2 programmes increase vocational and technical skills, and about 75% of learners agreed that Level 2 programmes increase confidence. Furthermore, nearly 80% of learners agreed they improved their soft skills, such as communication and teamwork skills. These results emphasise the holistic benefits of these levels of study for learners; not solely improving skills but contributing to personal development too. As Tennant et al. (2005) and Ofsted (2018) revealed, Level 2 learners lack confidence for a range of different reasons, and experience in programmes at Level 2 and below can become great achievements they are proud of, which in turn improves their confidence. This may stem from the demographics of Level 2 learners, who often come from disadvantaged backgrounds – for example, 20% were either on FSM or have disability or learning difficulties. In many cases, study at Level 2 and below can re-engage learners who have had previously unsuccessful or unpleasant experiences in the education system. Thus, learner motivations for studying at Level 2 and below are not necessarily just about the economic or employment benefit but also personal development such as confidence.

## ➔ Employers face challenges around Level 2 learners and programmes

Nevertheless, employers shared many challenges and difficulties around Level 2 learners and programmes. One of them was low awareness of the qualifications available (even though there are so many of them), and specifically apprenticeships. Learners and their parents and guardians often do not know about them, or question their worth compared to academic qualifications and routes to learning. For example, some respondents shared their concerns about parents and guardians as they strongly influence their children's decision-making, referring to their influence on sending children to A-levels as a result of the teacher-assessed grades awarded under the COVID pandemic. This gave rise to participation in potentially unsuitable A-levels, leading in turn to drop out. Furthermore, ITPs mention that households on benefits are often afraid of losing these due to an apprenticeship, and the benefits system therefore works against efforts to support people into jobs.

Building a system which protects employers from losing apprentices is also important. Providers and employers both cited instances where they had lost some Level 2 apprentices just before the end point assessment was taken because they were hired by other competitor companies with higher pay who considered them competent already.

## ➔ There is significant alignment in reactions to the government's review of Level 2 and below by both demand-and supply-side actors

Whilst respondents generally agreed with the government's proposals to review post-16 qualifications at Level 2 and below, the majority disagreed with the proposals of how to do so.

Employers in the main agree with the government plan to standardise and simplify the landscape as there are too many different qualifications, which can be confusing. On the other hand, there is also strong agreement that the proposals as they stand could remove stepping stones for people from disadvantaged backgrounds, disadvantaging a pool of potential talent. These people may not be ready for level 3 qualifications but do not have a place to go if Level 2 qualifications are removed. Of particular note is the employer who told us that, "Level 2 is an access. It's the point at which the future becomes accessible." There was noticeably little (if any) positive views of the view that Level 2s could be removed and their skills integrated at an early stage of Level 3 qualifications instead.



## What this means.....

What is of particular note is the alignment of views across all respondents in our research – learners, employers and providers – as to not only the value of qualifications at and below Level 2, but also their reactions to the proposals put forward by the government to address the generally agreed view that the system as it stands is rather unwieldy and potentially confusing.

Overall, qualifications at Level 2 and below are recognised to not only have benefits in terms of improving technical skills and knowledge amongst learners (and thus productivity and return to employers), but also confer much wider indirect and soft skills to learners. Given that a significant proportion of learners at these levels come from disadvantaged backgrounds and have lower levels of previous educational attainment, this should be recognised as a fundamental part of the offer, and not downplayed or ignored in favour of economic benefits. Furthermore the startling lack of progression of some disadvantaged groups – notably SEND learners – from Level 2 to higher levels of learning is a question that requires further exploration.

Studies at Level 2 and below often act to re-engage otherwise “lost” learners who have had previously unsuccessful or unpleasant education experiences. The idea that many Level 2 skill requirements could be subsumed into the beginning of Level 3 qualifications ignores the fact that at lower levels of skill, small increments in ability mean a lot and should be acknowledged and celebrated in their own right in order to continue engagement and progression at higher levels.

There is therefore considerable concern that the government’s proposals do not take any of this sufficiently into account. It was felt that qualifications at all these levels should retain the ability both to specialise or progress in particular skills and occupations AND to give a broader “taster” of what such roles may entail without commitment, whilst conferring softer and transferable skills development. As it stands, the proposals largely group qualifications into a binary structure whereby they **either** confer occupationally-specific technical skills, or give broad “tasters” and build soft skills. It is widely felt that there is no reason why both cannot take place at the same time whilst still allowing room for celebration of low-level but important achievements and increments in learning. Moreover, the plans to defund such a large number of qualifications may mean that not enough are left to enable this crossover to happen.

Another interesting finding was that both employers and learners tend to have greater trust in the technical skills side of these qualifications than they do in their ability to build literacy and employability skills. We also noted that literacy and numeracy skills, whilst important in their own right, are not as valued as technical skills at these levels. English GCSE and maths and English Functional Skills appear almost equally recognised and demanded by employers, but this in itself raises concerns as some providers are worried that the content and delivery of Functional Skills qualifications are becoming increasingly academic in nature, removing the differentiation

and choice that employers seem to value. This are further questions therefore as to whether the content or pedagogy of literacy and numeracy qualifications, particularly but not exclusively GCSEs, are as appropriate to individual and employer need as the government currently considers them to be.

There tends to be a difference between the perception of technical and academic skills between employers, and learners and (in particular) the parents and guardians of young people and the schools in which they study. While many still tend to think of academic qualifications as the “gold standard”, employer respondents in this sample viewed them as being of equal value with technical equivalents. This perception however is not reaching the constituencies that it needs to (i.e. learners and their influencers) which raises questions as to the efficacy of current careers information, advice and guidance (CIAG) arrangements. This is also reflected in the fact that employers see the “poaching” of qualified staff at Level 2 and below as a challenge in just the same way as is more normally associated with higher levels of skills and learning – something that clearly the wider public (and perhaps the government too) do not fully appreciate.

This leads on to concerns about initial engagement and assessment. The fact that 13% of our learner respondents did not know what qualification or level they are studying should ring considerable alarm bells, especially considering that this issue has been identified many times over many years. If such basic information is not being communicated or retained, there must be a considerable question as to how the benefits of Level 2 and below qualifications in a wider sense can possibly be appreciated either.

What also comes through is that difficulties in engaging young people often result from previous bad experiences in the education system, where they have either not succeeded through it or have disengaged completely. This can lead to “learned helplessness” where they any further attempts to overcome these challenges is dismissed by the learner as a lost cause. This infers that consideration should be given to pedagogy, content and approaches in the compulsory education phase, to make them more accommodating of wider ways of learning and completion rather than simply academically-based assessments through examination.

## What should we do?...

As a result of these findings, we have formulated nine recommendations that we believe the sector – employers, providers and government – need to consider and action in order to fully utilise the recognised worth and value of qualifications and study at Level 2 and below.

- 1.** Policy must be evidence based, taking account of what it is being told rather than pursuing an end in its own right. If it considers such evidence but decides to proceed in spite of it, proposals must be clear on the rationale as to why this is happening.
- 2.** No system of qualification or progression should be arranged in such a way as to contribute to “learned helplessness” by promoting unrealistic expectations of achievement. The recent changes to minimum apprenticeship requirements, waiving the need to attempt a Level 2 in English and maths whether or not the apprentice was ready to do so, is very welcome but was considerably overdue and should clearly never have been implemented in the first place. Government must consider this type of unintended effect when setting performance and progression requirements for FE and other systems of qualifications in future.
- 3.** The current government consultation on the future of qualifications at Level 2 and below is in danger of implementing a system that does not recognise or accommodate the purposes and benefits for which they are recognised by their users and beneficiaries. It is counter-productive to merely propose a much lower number of qualifications at Level 2 and below without taking into account and accommodating the very many reasons and motivations that learners engage with them, and why employers value them. The current government proposals do just this, which is why there is such an alignment of opposition to it amongst both demand-side (employer) and supply-side (provider) representatives.
- 4.** Proposals to include Level 2 skills at the beginning of Level 3 qualifications ignore the importance of study towards qualifications at Level 2 in establishing and recognising basic technical skills and good practice that deserve to be recognised and accredited in their own right. This is not least because such encouragement at lower levels of learning is vital to serve the purpose of re-engaging and retaining learners that may otherwise be too daunted to take on the prospect of following a more complex and higher level of study at Level 3.
- 5.** Further research should be undertaken to establish why there is a lack of progression from Level 2 by certain groups – particularly SEND learners. This is a key choke point in formulating a skilled workforce of all the talents at higher levels of learning.

6. The need for specified types of qualification in literacy and numeracy is far less important than the need to find the right way to teach and assess such skills to the standards required by employers. GCSE and Functional Skills are broadly considered as equivalents by employers and yet this would not be clear from an examination of government policy towards these qualifications. In particular, changes in the content and delivery of Functional Skills in English and maths are in danger of making them converge with that of GCSE instead of providing a high-quality alternative learning and assessment route to the same level of ability.
7. Information, advice and guidance (IAG) strategies must look to address not only young people but those who have major influence over their decisions such as parents and guardians.
8. IAG must do more to dispel the view that vocational qualifications are a “second best” behind academic qualifications at the same level. Despite the fact that technical skills are clearly highly valued by employers even at Level 2, the perception remains that academic qualifications are a “gold standard”, giving vocational qualifications an undeserved stigma.
9. Apprenticeships, particularly at level 2, must align more coherently with benefit rules to ensure that there are no unwanted incentives to not participate or cease participation.

In the report following, we have examined the data we gathered that led us to the conclusions in more details. We urge the sector as a whole – providers, employers and government - to consider this report and action its recommendations, understanding and properly allowing the full benefits to be derived from qualifications and study at Level 2 to learners, employers, and society.



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# Appendices

Variables	Type	Scale	N	M	SD
Training employees in Level 2 skills improves staff retention (e.g. foster loyalty)	Ordinal	1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree	71	3.930	0.915
Achieving Level 2 qualifications provides a useful insight into the quality of candidates for recruiting	Ordinal	1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree	71	4.000	0.793
Achieving Level 2 qualifications improve performance at work	Ordinal	1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree	71	3.986	0.949
Employees with Level 2 skills increase the productivity of the business as a whole	Ordinal	1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree	71	3.859	0.990
Level 2 qualifications help social mobility	Ordinal	1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree	71	4.197	0.821
Level 2 qualifications contribute to reducing skills deficit	Ordinal	1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree	71	4.183	0.867
Level 2 qualifications help to prevent unemployment	Ordinal	1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree	71	4.085	0.967

Perceived Benefits of Level 2 and Below	Component
	1
Eigenvalues	4.829
Contribution rate	0.690
Training employees in Level 2 skills improves staff retention (e.g. foster loyalty)	0.384
Achieving Level 2 qualifications provides a useful insight into the quality of candidates for recruiting	0.357
Achieving Level 2 qualifications improve performance at work	0.393
Employees with Level 2 skills increase the productivity of the business as a whole	0.404
Level 2 qualifications help social mobility	0.365
Level 2 qualifications contribute to reducing skills deficit	0.406
Level 2 qualifications help to prevent unemployment	0.333




Dependent Variable	Type	Scale	N	M	SD
Principal component score of benefits of Level 2 qualifications	Continuous		71	-1.74	2.197422
Independent Variables	Type	Scale	N	M	SD
It is valuable to the employees in our company/organisation to have Level 2 qualifications	Ordinal	1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree	75	4.227	1.098
Practical skill is one of the most expected skills to people with L2 qualification	Dummy	0=No, 1=Yes	82	0.780	0.416
Employees who achieve Level 2 qualifications more often leads to promotion	Ordinal	1=Never, 2=Rarely, 3=Sometimes, 4=Often, 5=Always	75	3.413	0.974
Good basic literacy and numeracy is one of the required skills for entry-level jobs	Ordinal	1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree	66	3.394	1.288
Finding applicants is the one of the challenges in recruiting/retaining L2 qualification holders	Dummy	0=No, 1=Yes	82	0.427	0.498

Variables	PC score: Benefits of L2		
	Coef	SE	Effect size
It is valuable to the employees in our company/organisation to have Level 2 qualifications	0.933***	0.181	0.310
Practical skill is the most expected skills to be demonstrated by an individual holding Level 2 qualifications	1.139*	0.537	0.071
Employees who achieve Level 2 qualifications more often leads to promotion	0.550**	0.193	0.121
Good basic literacy and numeracy is one of the required skills for entry-level jobs	-0.296*	0.125	0.086
Finding applicants is the one of the challenges in recruiting/retaining L2 qualification holders	0.882**	0.317	0.116
Cons	-6.688***	0.903	
N		66	
Adj R-square		0.680	
*p < 0.05, **p < 0.01, ***p < 0.001			



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