

The Taylor Review of Modern Work Practices

Education and Training: Key Extracts and Recommendations

(<https://www.gov.uk/government/publications/good-work-the-taylor-review-of-modern-working-practices>)

1. Education and training

Education and training support individuals to develop and progress in work. Moreover, upskilling can result in better employment rates, higher earnings quality, lower job insecurity and lower job strain. However, there is evidence to suggest that the number of individuals who have access to regular training opportunities is falling. The percentage of workers receiving 'off-the-job' training in the past 4 weeks decreased from 10.1% in 2000 to 6.77% in June 2016. Yet, as the labour market changes and industries come and go, the importance of lifelong learning is growing.

What people want to learn in work will vary widely. For some, the ability to gain accredited qualifications is key – and this is more prevalent in particular sectors and with certain groups. For others the priority is 'on-the-job' training, although this may also enhance future employability. The opportunity to develop and progress should be available to all.

2. Who is working?

Participation amongst females has been growing more quickly than males over the last twenty years, evening up the proportion of female employees. Similarly, participation and employment amongst people aged 50+ has grown significantly over the last twenty years, coupled with a decline in economic activity amongst people aged 16-17, which has shifted the age profile of the labour market. Almost 3 in 10 workers are now over 50, compared to closer to 2 in 10 in 1997. The ageing workforce is reflective of the UK's ageing population, with more people living longer and declining birth rates.

The declining number of people aged 16-17 participating in the labour market reflects the fact that young people are now staying in education for longer. Linked to this, the level of academic qualification of those in employment has significantly improved, with over a third of people (34.1%) having a degree or equivalent.

3. Key labour market challenges ahead

a) Jobs to match the skills profile –The skills level of the UK workforce is improving, and the share of the workforce with degree level qualification is set to continue rising. This creates a challenge for the labour market in terms of creating jobs suitable to such graduate level skills. The proportion of graduates working in low-skilled jobs increased from 5.3% in 2008 to 8.1% in 2016. This under-utilisation of available skills will link to the productivity improvement agenda.

b) Poor productivity – Growth in pay is linked to improvements in labour productivity. The UK, like many other developed economies, has suffered from very weak productivity growth since the financial crisis (the “productivity puzzle”); however, the UK also has a long-standing productivity gap relative to international comparators. Over the long term, growth in productivity is essential for continued improvement in living standards. Achieving improved productivity will rely on a number of things, not least investment in infrastructure, improved skill-levels, more technological advancement and delivery of the modern industrial strategy.

c) Automation – Progress and recent developments in machine learning and processing capacity have resurfaced discussions on the automation of work. These discussions are often controversial, with widely varying predictions around the number of jobs that could be lost to automation. However, history has shown that technological advancements and the automation of individual tasks don’t just result in substitution of labour, but also lead to job creation.

4. Key skills

During the course of the Review, we heard from employers about the value they place on the numeracy, literacy and digital skills of young people entering their workforces. We also heard time and time again about the importance of transferable skills, such as communication, team-working and organisation, alongside job-specific technical qualifications and training.

5. Apprenticeship levy

The apprenticeship levy was raised by almost every employer we spoke to during the Review. Sometimes (often in larger companies) it was to highlight the focus on training and Apprenticeships that the levy is engendering at senior decision-making levels in the company. We also heard reports of industries (such as finance) which have not traditionally had Apprenticeships, thinking hard about how best to make use of the new system. These accounts are positive, but we also heard concerns of competitor companies not taking training through Apprenticeships seriously or finding ways to avoid the levy if they can. Both points concerned the Review.

The Review heard concerns about the inability of atypical workers to benefit from the apprenticeship levy, which is a key plank of the Government’s skills policy.

There is also evidence of clear disparities in access to Apprenticeships. People from BAME backgrounds and those with disabilities are less likely to be in an Apprenticeship; women are more likely to be in Apprenticeships in low paid sectors.

6. Non-levy apprenticeships

Concerns have been raised about ensuring sufficient public resources are available for Apprenticeships and workplace training in small and medium sized enterprises, and the impact the levy might have on this. SMEs are more likely to have workers in atypical employment arrangements, so it is important that there is sufficient focus on non-levy Apprenticeships.

In the recruitment agency sector, we also heard instances of the cost of the Apprenticeship Levy being passed directly through to agency workers, thereby adding to the difference between the advertised rate for the job and what the individual receives in take-home pay. This is not illegal but it is another reason why clarity and transparency of pay for agency workers, including those who are paid through an umbrella company, is so important.

Recommendations on apprenticeships:

a) As the new apprenticeship system beds in, Government should examine how it could be made to work better for those working atypically, including through agencies. The Government should ask the Institute for Apprenticeships to work with sectors using high levels of lower-paying and atypical work to ensure that they are making best use of the current apprenticeship framework.

b) Following the delivery of the 3 million apprenticeships that it is committed to, Government should consider making the funding generated by the levy available for high-quality, off-the-job training other than Apprenticeships. The Institute for Apprenticeships should also be tasked with reporting on and addressing disparities in the take-up of apprenticeships for different groups.

7. Transferable skills:

Many good employers have performance management policies which give individuals feedback and recognition for work done, skills achieved and potential demonstrated.

However, employer practice varies and for those who work atypically or who are self-employed, the picture may look very different. In some sectors with high rates of temporary contract working, such as IT, there is a strong culture of individual responsibility in developing and maintaining a set of skills that allow you to make the most of opportunities offered. These opportunities tend to be more accessible to those who already have a basic platform of skills (those already highly skilled are four times more likely to get training at work). The Review believes that we need to look again at ensuring all employees have the chance to work their way up the ladder – a responsibility to lead themselves, and support to do so.

In the context of the overall UK skills profile, employers place great emphasis on transferable skills as well as role-specific capability and knowledge. The Flux report found that 62% of the employers surveyed felt that leadership skills were the most important skills, followed by management skills and resilience. In addition, 80% of the line managers interviewed said they had to learn more and develop faster than they did five years ago in order to stay successful in their role. As technology reaches beyond basic automation and into higher-skilled occupations, these skills will become more crucial still.

Questions around employability or transferable skills have been the subject of substantial academic research. A range of frameworks have been developed by academics, educators and industry, for example by Johnny Rich of PUSH and STEMNET. These attempt to set out what the components of concepts such as 'communication' might be and how they might be taught, learnt or developed to different levels. In this way, educators can match their courses to the framework, employers can match their job vacancies to the skills they require and individuals are more easily able to have greater direction in planning their career.

A commonly understood spine of employability skills could also form the basis for conversations between employers and employees about job design, on the job training and appraisal, all with the aim in mind that every job enables people to develop their future employment potential. But different employers and institutions are approaching this task differently, using different criteria. This makes overall comparison more difficult than it need be for the individual and makes it less likely that there will be public awareness and buy-in to employability as an important part of work and personal development.

While work has become more flexible, too often learning and skills does not match this flexibility. For example, Advanced Learning Loans, which require some people to take out university-style loans for training, are only open to full qualifications. Since their introduction, learning covered by these loans has fallen by one

third and the budget has been consistently underspent. In addition, funding rules mean that someone who has worked for much of their working life but now needs to retrain is unlikely to get much help or support.

Recommendations on transferable skills:

a) Learning from the failings of Individual Learning Accounts the Government should explore a new approach to learning accounts, perhaps with an initial focus on those with a long working record, but who need to retrain and those in receipt of Universal Credit. The new £40 million Lifelong Learning Fund is a starting point for this and should be developed by bringing together employers, civic society and the education sector.

b) Government should use its convening power to bring together employers and the education sector to develop a consistent strategic approach to employability and lifelong learning. This should cover formal vocational training, 'on the job' learning and development, lifelong learning and informal learning outside work. It could be linked to the longer-term development of life-time digital individual learning records. As part of this, the Government should seek to develop a unified framework of employability skills and encourage stakeholders to use this framework.

8. Lifelong learning and careers advice

It's clear therefore that individuals will expect to carry on learning throughout their working life, whether continuously or periodically. We know also that there are significant barriers to them doing this and that this disproportionately affects those at the bottom of the labour market. Over half of those in the lowest socio-economic group have not participated in any training since leaving education. The Review is therefore supportive of Government efforts to increase participation in 'lifelong learning.'

In 2012 the then Government introduced a new statutory duty on secondary schools in England to provide independent careers guidance to students. Colleges have an equivalent duty written into their funding agreements. There is statutory guidance on how to meet these duties but the requirement to provide a period of pre-16 work experience was removed. The Review is fully supportive of the type of interaction that we have seen between local employers, schools and colleges in shaping young people's decisions about their future. It is very positive that the new 'T Level' qualifications will contain substantial work placements.

Recommendations on careers advice:

a) In developing a national careers strategy, the Government should pay particular attention to how those in low paid and atypical work are supported to progress. It should take a well-rounded approach, promoting the role of high-quality work experience and encounters at different education stages.

9. Careers advice in schools

Based on research in six countries, the Gatsby Foundation has set out eight benchmarks for a well-rounded careers programme. Only a very small number of schools in England are currently achieving more than a couple of the benchmarks yet estimates of the economic returns on improved labour market outcomes are sizeable. The Foundation is currently piloting the benchmarks with the North East Local Enterprise Partnership. (Source: https://www.mckinsey.de/files/a4e2e_2014.pdf)

Gatsby Benchmarks: Good Careers Guidance

1) A Stable Careers Programmes

Every school and college should have an embedded programme of career education and guidance that is known and understood by students, parents, teachers, governors and employers.

2) Learning From Career And Labour Market Information

Every student, and their parents, should have access to good quality information about future study options and labour market opportunities. They will need the support of an informed adviser to make best use of available information.

3) Addressing The Needs Of Each Student

Students have different career guidance needs at different stages. Opportunities for advice and support need to be tailored to the needs of each student. A school's careers programme should embed equality and diversity considerations throughout.

4) Linking Curriculum Learning To Careers

All teachers should link curriculum learning with careers. STEM subject teachers should highlight the relevance of STEM subjects for a wide range of future career paths.

5) Encounters With Employers And Employees

Every student should have multiple opportunities to learn from employers about work, employment and the skills that are valued in the workplace. This can be through a range of enrichment activities including visiting speakers, mentoring and enterprise schemes.

6) Experiences Of Workplaces

Every student should have first-hand experiences of the workplace through work visits, work shadowing and/or work experience to help their exploration of career opportunities, and expand their networks.

7) Encounters With Future And Higher Education

All students should understand the full range of learning opportunities that are available to them. This includes both academic and vocational routes and learning in schools, colleges, universities and in the workplace.

8) Personal Guidance

Every student should have opportunities for guidance interviews with a career adviser, who could be internal (a member of school) or external, provided they are trained to an appropriate level. These should be available whenever significant study or career choices are being made. They should be expected for all students but should be timed to meet their individual needs.